

WORLD NEWS

THE EURO

PLEASANT SURPRISE ALL THE SYSTEMS THAT MIGHT HAVE GONE WRONG DIDN'T, THOUGH DUAL-DENOMINATION MAY YET PRESENT PROBLEMS

A smooth birth, all the family seem happy

By Wolfgang Münch in Frankfurt

After years of dire warnings it came as a pleasant surprise that the birth of Europe's single currency this week proceeded as smoothly as one could have hoped for.

Computer systems did not crash. Accounts did not get erased. Target, the cross-border payment system run by the European Central Bank, managed to channel record sums from one corner of the euro-zone to another.

To top it all, the euro managed to be a strong currency on the first day of trading. There was no fundamental economic reason for this, especially since the euro subsequently reversed the

gains, but it was a nice touch anyway. Even the stock markets surged - albeit for different reasons.

A beggar in downtown Frankfurt marked the occasion by holding up a sign saying that he, too, would now accept euros, unlike many of the city's department stores, whose cashiers seemed lost for words when customers insisted on paying in the unfamiliar new unit. Fortunately, most of those buyers were journalists who were sent out to test the system. The real world has decided to stick to the familiar for now.

Customers seem to have realised that there is little advantage in switching over to euros during the transitional period until early

2002, when euro banknotes and coins are being introduced. Legally, a distinction between the euro and national money is meaningless because national notes and coins are nothing other than an odd denomination of the euro anyway.

However, many people will have to cope with a dual-denomination world for the next three years. Their income and most outgoings will typically be denominated in national currency, while their wealth will be denominated in euros, at least to the extent that their wealth is made up of bonds and shares.

This means that the euro is largely a currency for the financial markets - at least for now. Here, Europeans

spent the first week of the new regime getting used to unfamiliar denominations. Previously it was customary to denote the exchange rate as the amount of D-Marks or francs it would cost to buy \$1 or £1. Now the euro is the measure of all things. The new exchange rate is expressed in terms of how many dollars or pounds it costs to buy €1.

Share prices and dividends, too, have been redenominated into euros - which has led to some initial confusion. And, of course, there are also many fewer millionaires left in the 11 euro-zone countries if wealth is measured in euros.

But all this is bound to be forgotten in a few days. When the D-Mark was intro-

duced in east Germany in July 1990 it took a remarkably short period until everybody got used to the new monetary regime. The same will happen in the euro-zone. Once the novelty of the new money is gone, the focus will switch back to the familiar issues of unemployment, welfare reform, economic policy co-ordination and exchange-rate management - far more difficult to resolve.

George Graham, Banking Editor, adds: International clearing banks and foreign exchange dealers have put pressure on a handful of banks to change practices which have resulted in a large number of interbank payments ending up at the wrong address. After a series

of meetings this week in London new guidelines were broadcast to banks last night on the Swift interbank electronic message network.

After the launch of the euro this week, half a dozen large banks were handling payment instructions in a way that did not comply with guidelines established by the Bank for International Settlements, an informal alliance of the big international payments banks.

The errant banks included some of the largest German banks, handling huge volumes of euros, but some Dutch and US banks were also not complying with the instructions.

"I think it's fair to say the rest of the market ganged up on them," said one banker.

Markets give new currency a fright

By Alan Beattie in London

The euro suffered its first scare late yesterday when it dropped by more than a cent against the dollar to its lowest level since it was launched on Monday.

The immediate cause of the fall was news - around the middle of the European trading session - of a surprisingly large increase in US employment totals.

The release showed employment in the US rising by nearly 400,000 in December, well above market expectations. This contrasted sharply with German labour market data released in early European trading, which showed unemployment rising by 34,000 in December, slightly higher than expected.

After that initial fall, the euro dropped again at the end of trading in Europe. At one point it fell to \$1.154, its lowest point since the new currency's launch and well below its opening value of around \$1.168. Large sales by US investment banks were blamed by many for the fall.

Analysts said the sharp contrast between prospects for economic growth in the US and the euro-zone was the cause of the original drop. "The market was watching the relative performance on employment, and the US was the clear winner on the day," said Mike Wallace of Standard and Poor's M&M in London. But Mr Wallace added that the second stage of the move may have been exaggerated by the inability of individual central banks in the euro-zone to intervene to support the currency without the agreement of the European Central Bank (ECB). Wim Duisenberg, ECB president, denied on Thursday that it had intervened in the markets in the first few days of the euro's life.

The rapid fall in the euro may have been linked to a continuing lack of liquidity in the currency markets, leaving exchange rates more sensitive to individual deals than usual. But despite this, the euro has not yet broken out of territory familiar to a predecessor. "The limits of \$1.19-\$1.15 that the euro has traded in against the dollar this week corresponds to the D-Mark's old range of DM1.65-DM1.70," said Richard Moore, head of foreign exchange sales at Citibank in London.

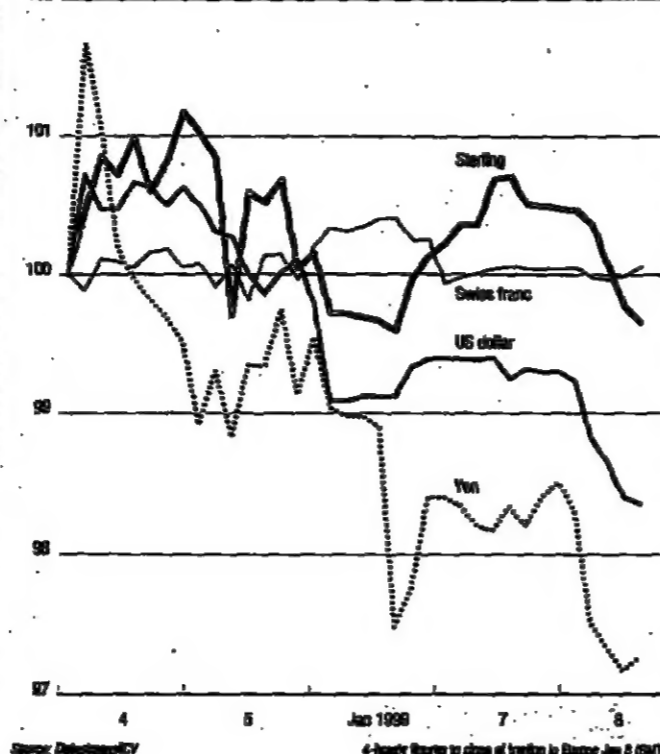


Wim Duisenberg, president of the European Central Bank

How was it for you? The euro's first week

Euro exchange rates

Currencies in the euro (index)



Source: Deutschemark

— Daily Report to show of trading in Europe Jan 8 (GMT)



Robert Rubin, US treasury secretary

Distribution of cash seen as a big headache

By Emma Tucker in Brussels

Now that 11 European currencies have been locked together to form the euro, many are impatient to set eyes on and handle Europe's single currency. But they will have to wait another three years.

In that time national governments and the European Commission face two critical challenges: first, to complete the massive industrial operation of minting 60bn coins and printing 13bn bank notes. Second, to educate the public about its new currency.

Coins are already rolling out of national mints, with governments building new strongholds in which to store them until 2002. Printing of notes will begin over the next few months, according to a spokesman for Yves Thibault de Silgny, the monetary affairs commissioner, after final tests were carried out at the end of last year.

But important decisions still have to be taken about their distribution. Retailers argue strongly that the notes and coins should be distributed in advance of January 2002 to a wide range of outlets - banks, post offices,

shops and even the public. This, they argue, will lead to a smoother transition by allowing a fast replacement of old currencies by the new from day one.

Under this scheme people paying for goods in shops with the old currencies could expect to receive their change in euros on the morning of January 1 2002.

However, the European Central Bank is advising caution. Some fear that too much "frontloading" could lead to the new euro notes and coins entering circulation haphazardly before that date, creating widespread confusion.

The clock is meanwhile ticking for public administrations in which the monumental challenge of altering computer programmes to allow tax and benefit systems, for example, to be denominated in euros in time for 2002.

Preparing the public for the changeover must also be tackled. The Commission - spearheading the moves - is taking its inspiration from Britain, where decimal currency was successfully introduced in the early 1970s after a five-year education period.

Organised crime licks its lips over forgeries

By John Mason in London

When the European single currency project reaches the day in 2002 when you can put a euro in your pocket, criminals can be expected to make full use of the new opportunities this will give them, security experts warn.

If organised crime takes advantage of public confusion to use large quantities of counterfeit notes, it could cause considerable financial damage and loss of confidence in the new currency.

Serge Berthoinville, treasurer of the National Bank of Belgium, recently gave what many regard as the most candid acknowledgment yet by a European central banker of the threat from organised crime.

"The risk for counterfeiting will be very high since the euro banknotes will be widely used. Organised crime is increasing and modern reproduction technology offers the opportunity to produce, even on easily available low-price devices, fairly good copies of any printed picture," he told a conference organised by the London lawyers Stephenson Harwood to discuss the impact of organised crime on the new currency.

He warned the European Union's institutional framework for fighting forgers was "far from... satisfactory". Although the euro would circulate freely inside and outside the euro-zone, legislation and law enforcement agencies were nationally based. This "dramatically increased the counterfeiting threat."

Measures by the European Central Bank, such as setting up an analysis centre and database would not be effective unless the roles of agencies such as Europol, the EU-wide police force, and the Commission were clarified and law enforcers co-operated more, he said.

How good the forgeries could be is debatable. A speaker from De La Rue, the banknote printers, was confident that advanced technologies will ensure the real notes will have sufficient security features, such as holograms, to enable the public to tell good from bad, provided they are vigilant.

However, one delegate with considerable professional experience of counterfeiting argued the skills of forgers were now formidable. Hong Kong forgers now produced US dollars and security holograms as good

as the real thing, he said.

If the threat from counterfeiting is clear, the issue of money-laundering is more complex. Rauld Orr, chairman of the European Bankers' Federation fraud working group, believed the euro would present no new opportunities. A black gold or franc would become a black euro, but that would be the only change, he argued.

However, Ron Warrington, head of fraud prevention at Citibank, said that the euro could start to rival the dollar as the money-launderer's currency of choice. The increased speed of transactions and the ability to move money across more countries could work to the money launderer's benefit unless banks' training and detection systems were improved.

"I don't see more fraud occurring but it will be more difficult to recover funds. It will be a case of being out-run," he said.

The introduction of the euro could prove tempting for criminals of less sophistication but greater brutality - armed bank robbers. The change-over period in 2002 will mean the amount of cash being physically held in banks will increase sharply.

EURO DIARY

FRANCE

Académie rules in favour of euro-zone

The Académie Française, the highest authority on the French language, has put an end to the increasingly heated debate dividing France's intellectuals over the appropriate term to describe the geographic area using the new European single currency - the euro.

The choice of "la zone euro" - the euro-zone - was seen as somewhat dull, but should come as a relief to the large number of writers, journalists and language experts fighting to abolish the term "euroland", which had gradually imposed itself after being used for several years in US and UK banks' dealing rooms.

"The academy declares that it is the term 'euro zone' which must be used in France and francophone countries," it said in a statement. "There has never been talk of a 'dollarland' or 'sterlingland', but there exist a 'franc zone', a 'sterling zone' and a 'dollar zone'."

In the past few days, a handful of experts sought to compromise by adding a final "e", "Eurolande", they claimed, was an honourable escape from the "Anglo-Saxon invasion". The academy, however, said any word containing "land" - or "lande" for that matter - would be misleading. "This is not about naming a sovereign state, or even a confederation, but only the area where a treaty is applicable," it said.

UNITED KINGDOM

Europhobe press keeps quiet

The smooth launch of the euro - and the absence of widespread panic or insurrection - spoiled the new year for the editors of some of Britain's eurosceptic newspapers.

While papers such as Rupert Murdoch's Sun and Times have been campaigning vigorously to "save the pound" for years, the advent of the dreaded euro passed with little of the euro-bashing that might have been expected. Instead, most British newspapers decided the momentous monetary events on the continent were less interesting than the new year blood-letting in Tony Blair's government.

"Welcome to euroland: Britain on sidelines as 300m people in 11 states launch single currency," said the pro-European Guardian, summing up the sense of detachment from the events unfolding on the continent.

The loudest warning voices came from the Daily Mail, a rightwing tabloid, which reported senior officials in the UK Treasury denouncing the low calibre of staff being assembled at the European Central Bank.

The downbeat reaction of the most euro-phobic sections of the press will encourage Tony Blair, prime minister, who wants to take Britain into the euro, but fears a vote-damaging backlash from the UK media.

GERMANY

Little triumphalism

Germany's politicians have been remarkably reluctant to sound fanfares. In Bonn you would hardly notice the difference since Monday, and not just because Gerhard Schröder only returned mid-week from his holiday on the Costa del Sol. Whereas Helmut Kohl, the former chancellor, would have seen the historical symbolism, the new government's stance on Europe is pragmatic - and certainly not triumphalist.

That has not stopped the German press, which generally supports ever greater European integration, from celebrating the euro's debut with bold and confident headlines. Even the sober Frankfurter Allgemeine chastised Oskar Lafontaine, the finance minister, for refusing to interrupt his holiday for the New Year's eve meeting of finance ministers in Brussels. Die Zeit proclaimed on its main euro page: "The new currency changes the world." Underneath it debated the "duel with the dollar." And at the bottom of the page it wrote of "the great angst of the British."

SPAIN

Few regrets for peseta

El País, Spain's leading daily, greeted the currency's introduction as "the most important decision since the European integration process was launched in the early 1950s". There was little to regret in the demise of the peseta, Spain's currency for the last 130 years. "A currency without credibility, subject to cyclical devaluations," the newspaper said. It saw monetary union giving Spain a better chance of narrowing its wealth gap with northern neighbours.

BELGIUM

Not a dissenting voice

Even before the single currency was launched there was a distinct euro theme to Christmas decorations strung up around Brussels' Grand Place. Many shops quickly entered into the spirit by converting their computers and sticking euro symbols in windows.

The Belgian approach could not be more different to that of countries with a strong bond to their national currencies. Home to the EU's institutions and itself divided into two linguistic regions, Belgium has long been used to the idea of shifting powers away from the national government to European institutions - not one political party campaigned in favour of maintaining the Belgian franc.

ITALY

A moment of nostalgia

It was a week of mixed emotion for Italians. The arrival of the euro has been greeted enthusiastically in newspaper headlines as a "new chapter in history", a "revolution for Italy". Yet, strangely, there was a moment of nostalgia for the departing lira, the most crisis-ridden currency in post-war Europe.

"Our glorious lira" was how the treasury minister Carlo Azeglio Ciampi somewhat improbably hailed a currency which he has done as much as anybody to lay to rest. Amid the acres of newspaper devoted to the new currency, there was much grand talk about what the euro meant for Italy. "It is the end of the Italian anomaly in which the Italian capitalist system goes on being heavily subsidised," said Massimo D'Alema, the prime minister.

But the attention of most Italians will have been drawn to the tables in every newspaper that compared the price of consumer goods in euros across 11 countries. "In Italy you're best buying Levi jeans and Swatch watches," said Corriere della Sera, "but don't make phone calls". Italians learned this week that they are spending four times more euros making a three-minute city call than the French and the Germans.

By Samer Iskandar, Paris; George Parker, London; Ralph Atkins, Bonn; David White, Madrid; Emma Tucker, Brussels; James Blitz, Rome.

VOTE ON CURRENCY WAIT AND SEE APPROACH MAY END NEXT YEAR ☐ ENTRY MOMENTUM GROWS IN DENMARK

Sweden may bring forward referendum

By Tim Burt in Stockholm and Clara McCarthy in Copenhagen

Göran Persson, Swedish prime minister, has given the firmest signal so far that Sweden could hold a referendum on participation in European economic and monetary union next year.

Mr Persson told reporters that the country's ruling Social Democrats were likely to debate Emu and the possible timing of a referendum at a special party congress early next year. That could give the way for a referendum in Sweden before the country assumes the EU presidency at the start of 2001.

Sweden, along with the

UK and Denmark, has abstained from the first round of monetary union - arguing that the project commanded insufficient public support.

In recent months, however, both Mr Persson and his Danish counterpart, Poul Nyrup Rasmussen, have adopted a more pragmatic approach to the single currency.

Mr Rasmussen, in his New Year address, said: "My personal view is that I think it is best for Denmark, for employment and our welfare society that we join the euro at some point. But the choice must be ours alone, our opt-out can be reversed only by a referendum."

In Copenhagen yesterday Ib Christensen, president of the confederation of Danish industry, renewed his support for an early referendum on Emu participation. "I believe the mood among the Danish public has taken a positive turn and hopefully this will lead to a referendum around the end of this year," he said.

Recent opinion polls in both Denmark and Sweden have indicated growing enthusiasm for the euro.

Unlike Denmark, Sweden does not have an official opt-out from the single currency. But the government - which critics claim is itself divided on the euro - has adopted a wait and see approach.

Mr Persson has argued that the country could not hold a referendum before completing a detailed public information campaign on the practical implications of Euro membership, which is due to begin this year.

Senior officials within the Social Democrats, however, have warned that a party congress might not reach agreement on the timing of a referendum.

Large sections of Swedish industry and the main opposition Moderate party have called for early participation in the euro zone, claiming that Sweden risked a loss of influence and higher interest and transaction costs by remaining outside.



Persson: party will debate Emu

EU chiefs fig

Mahathir ends uncertainty with reshuffle

Steel dispute with Japanese

Revolution in

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WEEK OF UPROAR SANTER DENOUNCES ACCUSATIONS OF IMPROPER LINKS BETWEEN HIS FAMILY AND EUROPEAN FINANCES

EU chiefs fight off corruption charges

By Neil Buckley in Brussels

European commissioners yesterday went on the offensive against mounting allegations of corruption, as frantic manoeuvring continued in the European Parliament ahead of a vote next week which could lead to them all being sacked.

At the end of a week of uproar, Jacques Santer, the Commission president, vigorously denounced suggestions in the Belgian media of improper links between his family and EU finances as "absolute fantasy".

He told the French newspaper *Le Republicain* that a "plot" was being

mounted against him. At the same time, one of the commissioners particularly targeted by the parliament, Edith Cresson, said she was "sickened" by what she called a "vindictive personal attack" against her.

Mrs Cresson, former French prime minister and now education commissioner, told Reuters she believed she was the victim of a political campaign.

"We're coming up to [European Parliament] elections and I think there is a desire for human sacrifices," she said.

Mrs Cresson told other journalists she formally denied any connection

between herself and alleged mismanagement in the running of the Leonardo programme of youth training, for which she is the commissioner responsible. She insisted that no fraud had been found in the programme, which was about to be cleared by UCLAF, the EU's fraud investigation unit.

The French commissioner, facing demands from two parliamentary groups for her resignation, said she was frustrated she had not been given the opportunity to defend herself against a series of allegations against her by parliament and European

media since last summer. The Commission, meanwhile, clarified one of the more apparently bizarre rumours circulating in Brussels this week, that it was in possession of rifles.

A spokeswoman said one rifle had been brought for the Commission's security services in 1981 and two sub-machine guns in 1982. Two carbines were bought in 1982. All were officially licensed, she said, and none had ever been used. The spokeswoman said the first guns had been acquired at a time when Belgium was subject to occasional terrorist attacks.

The rumour about rifles is understood to have surfaced from papers on alleged fraud and mismanagement passed to the Court of Auditors, the EU's spending watchdog, by Paul van Buitenen, an assistant internal auditor at the Commission.

News of Mr van Buitenen's suspension by the Commission in December for leaking confidential documents inflamed tempers this week at the parliament, which is preparing to vote on a censure motion against the 20-strong Commission next Thursday.

The motion was tabled last month after parliament voted against signing off the EU's 1998 accounts amid con-

cerns over mismanagement in EU programmes. The Socialist group, parliament's biggest, continued to suggest yesterday it might reverse its original position and support the censure motion if there was a clear "head of steam" behind attempts by other groups to sack individual commissioners. But the socialists are thought to be split, with suggestions some French and German members might abstain.

The centre-right European People's party, the second biggest group, plans to table an oral question demanding reforms from the Commission.

German jobs figures take shine off euro

By Ralph Atkins in Bonn

German unemployment increased unexpectedly sharply last month, giving additional ammunition to the sceptics who have been warning about Germany's readiness for the new European single currency.

The 34,000 rise in the number out of work to 4.15m (or 10.8 per cent of the workforce) after seasonal adjustment had no direct connection with the launch of the euro last weekend, reflecting instead slower economic growth apparent at the end of last year. But after falling through most of 1998, the sudden reversal punctured the euphoria surrounding the new currency's launch.

In eastern Germany alone, unemployment rose 26,000. For Manfred Neumann, economics professor at Bonn University, the fear is that the euro will only highlight structural problems - and that yesterday's rise in joblessness will not be the last.

"There's no country where people are ready. It is not clear to most that the euro will lead to much stiffer competition. They don't know that yet," says Professor Neumann, who a year ago organised a letter to the *Financial Times* from 165 academics calling for the euro's "orderly postponement".

The biggest problem, he says, is rigid labour markets. Mobility does not have to be as great as in the US. "But if you don't have that high degree of mobility then you have to have greater wage flexibility. In America the mobility has a lot to do with lifestyles. If people don't want to move that is OK. But they have to accept the consequences."

A first step towards greater flexibility would be

to introduce "opt-out" clauses in regional or industry sector wage agreements, allowing individual businesses to agree their own terms with staff. "We must move away from the consensus society. But you can't do that in one step. That would be politically impossible. We have to make the change in partial steps," says Prof Neumann.

German public opinion has warmed to the euro. But the sceptics also see little reason to repent. Wilhelm Hanel, the economics professor who last year tried in the constitutional court to stop the euro's launch, says he remains worried about the currency's stability.

Joachim Starbatty, a fellow petitioner, says: "The euro's start was well prepared and went successfully - but the risks remain."

Prof Neumann says it is impossible, after just a week, to measure the euro's success. "In three or four years we will see if it has brought more or less unemployment." His fear is that Gerhard Schröder, the new chancellor who has put combating unemployment as his highest priority, will have to fight the next election in 2003 with a higher level of joblessness.

Mr Schröder, he points out, was also sceptical about the timing of the euro's launch. They share, too, a pragmatic approach now the currency is a fact of life. "Now we must look forward and see what we can do. German economists must press to see that Germany is competitive, that the labour market is finally deregulated," says Prof Neumann. "For me, the introduction of the euro is not an emotional occasion. I don't feel good or bad about it. It is a question of economic rationality."

Mahathir ends uncertainty with reshuffle

By T.J. Tan in Kuala Lumpur and Peter Montague in London

Mahathir Mohamad, Malaysia's prime minister, yesterday appointed Abdullah Ahmad Badawi, the foreign minister, as his deputy, ending months of uncertainty following the sacking of Anwar Ibrahim in September.

The move to fill the post of deputy, which has long been urged by government colleagues, was part of a broader cabinet reshuffle in which Dr Mahathir also gave up his separate responsibilities for the home and finance ministry portfolios.

Analysts said the change appeared to reflect recognition of criticisms that Dr Mahathir had concentrated too much power around himself as head of a government riven by controversy over its handling of the economy and the Anwar case.

The elevation of Mr Abdullah, a former civil servant and a popular figure with the public who, unlike many Malaysian politicians, has no close links to business, might boost the government's standing, but it gave no real clue as to whether he

was now favourite eventually to succeed the prime minister himself, they said. Dr Mahathir has carefully skirted this issue as well as the risk of a divisive contest within his own party by deferring, probably for about 18 months, elections due in June to top positions in the ruling United Malay National Organisation (Umno), whose deputy president is also traditionally deputy prime minister.

In that position Mr Anwar had earlier been seen as firm favourite for the succession until his sacking and arrest on charges of sexual misconduct and corruption.

Yesterday's announcement also appeared to be carefully timed to distract from a separate development whereby Mr Anwar launched a suit against Dr Mahathir, charging that the prime minister's position as home minister conferred on him responsibility for injuries sustained when he was beaten following his arrest.

Malaysia's top policeman resigned earlier this week after an official report blamed the police for some of the injuries. As well as his appointment



Abdullah Ahmad Badawi: Malaysia's new deputy prime minister

as deputy prime minister Mr Abdullah was also given the home office portfolio, which includes responsibility for internal security and the police. He will also continue to be foreign minister. The other change was the appointment of Daim Zainuddin, who already has responsibility for the economy, as finance minister.

Though the appointments appear to dilute Dr

Mahathir's power, they will do little in practice to loosen his grip. Mr Abdullah is known for his loyalty to Dr Mahathir and Mr Daim, in particular, is a trusty lieutenant.

Mr Abdullah, 59, known affectionately to many in and outside Umno as "Mr Nice Guy," was first appointed to the cabinet as defence minister in 1984. Though sometimes men-

tioned as a possible successor to Dr Mahathir, he is not particularly ambitious, appearing to have been quite content as foreign minister, a post he won in 1991.

Diplomatic analysts described him as "likable" but "a bit dull". Mr Abdullah, who graduated in Islamic studies from University Malaya, is married with two children and is regarded as a strict Muslim.

Boeing orders rise 15.5% in 1998

By Michael Stapinker, Aerospace Correspondent, in London

Boeing of the US said yesterday that aircraft orders had risen 15.5 per cent last year, in spite of the Asian financial crisis and loss of important customers such as British Airways.

Boeing said it took firm orders for 656 aircraft, compared with 568 in 1997. However, the value of 1998 orders fell to \$42.1bn from \$42.8bn in 1997 because airlines ordered more narrow-bodied jets, which are cheaper.

After taking cancellations into account, Boeing took orders for 606 aircraft last year, compared with net orders of 502 in 1997.

Boeing said it delivered 563 aircraft in 1998, a 50 per cent increase over 1997. It had set a goal of delivering 560 aircraft last year but the target appeared in doubt because of production problems. The difficulties led to Boeing suspending some of its production for a month in 1997 and resulted in the dismissal of the head of its commercial aircraft operation last year.

Boeing said it expected to deliver 630 aircraft this year. The expected increase comes in spite of the Asian crisis, which led the company to announce last year that it would cut its workforce by about 20 per cent.

Airbus Industrie, Boeing's European rival, is to announce its 1998 order tally on Monday. The annual announcements are usually accompanied by acrimony, as the two challenge each other's figures.

Airbus has in the past alleged that Boeing's figures included orders which had not been finalised. Boeing said yesterday, however, that its 1998 figures included only orders for which it had received deposits.

The European consortium - owned by Aerospatiale of France, DaimlerChrysler Aerospace of Germany, British Aerospace and Casa of Spain - won more orders than Boeing in 1994 and had high hopes of taking nearly half the world market this year.

Airbus won orders from traditional Boeing customers, including a consortium of Latin American airlines and British Airways, which ordered up to 138 narrow-bodied aircraft from the European consortium. It was the first time BA had bought aircraft from Airbus.

Steel dispute worsens over Japanese exports

By Our International Staff

Global steel trading tensions escalated yesterday as Japan denied US claims that it had voluntarily agreed to reduce exports and European Union producers threatened two fresh anti-dumping suits against Asian and East European producers.

"There is absolutely no truth in the [claim] that we have made a commitment to reduce steel exports to the US," the Japanese trade ministry's steel division said. "Steel exports have been falling, and we expect them to continue that trend, but that is merely a forecast and it is uncertain what will actually happen."

The Japanese protest followed a White House report to Congress which proposed \$300m in tax breaks for the US steel industry, which is facing a surge of imports because of the collapse of demand in Asia.

"It is our expectation that Japan's exports will return to pre-crisis levels in 1999," it said. "The administration stands ready to take appropriate

WTO-consistent actions under our trade laws to ensure that imports from Japan return to pre-crisis levels, including, if necessary, self-initiated actions under our Section 301 and antidumping law."

Japanese trade ministry officials said Washington had been told that Japanese exports were on a declining trend which the industry expects to persist throughout 1999 because of an easing in US demand and the strengthening of the yen.

Concerns over possible anti-dumping duties on Japanese imports, which the US blames for almost half the rise in imports, have also led to a decline in orders.

Under the steel plan, the Clinton administration will monitor steel imports from Japan on a monthly basis. Officials said the fact that the report targeted Japan, as opposed to other steel exporters, was a reflection of US impatience with Japan's slowness to take steps to pull itself out of recession.

The European Commission said it would look carefully

at the US plan. A spokesman for Sir Leon Brittan, the trade commissioner, said the EU was doing "more than its fair share" to absorb steel imports in the wake of the Asian crisis. The EU estimates that imports rose by 50 per cent in 1998.

Eurofer, European producers' association said it would not seek anti-subsidy action by the World Trade Organisation for the time being to avoid aggravating steel trade tensions between the US and Europe. However, Eurofer said the subsidy was "questionable" under WTO rules. It said the possibility of a formal complaint would be kept under review.

EU producers welcomed a Commission decision to start formal investigations into a complaint that hot rolled coil - used to make industrial products - is being dumped by Bulgaria, India, Iran, South Africa, Taiwan and Yugoslavia.

Reporting by Kevin Brown in London, Michio Nakamoto in Tokyo, Neil Buckley in Brussels and Deborah McGregor in Washington

Canada winning struggle to cut unemployment

By Scott Morrison in Toronto

The Canadian economy generated almost 450,000 new jobs in 1998, representing an annual job growth rate of 3.2 per cent. The news yesterday came as welcome relief to political leaders, who have struggled this decade to reduce the high unemployment rate.

The figures put Canada top among Group of Seven countries for job creation and second only to Ireland among nations belonging to the Organisation of Economic Co-operation and Development.

Canada added 24,000 new jobs in the final month of 1998, but the December jobless rate remained unchanged from November at 8 per cent, as the labour force participation rate edged up slightly.

The economy has generated 820,000 new jobs in the past two years, with 1998 representing the best job growth performance this

decade. The national 8 per cent unemployment rate is the lowest it has been in the 1990s.

Most encouraging was a sharp jump in youth employment in 1998, with 143,000 new jobs, the largest gain in 20 years. The youth unemployment rate edged down 1.4 percentage points to end the year at 14.4 per cent.

Overall, private sector job creation accounted for almost 300,000 new jobs in 1998, while the public sector added 35,000 new positions. Almost 120,000 Canadians joined the ranks of the self-employed last year.

Economists said momentum from strong job creation, particularly the 194,000 positions created in the final quarter of 1998, should carry over into this year. But they warned that seasonal effects on the construction industry could trim job growth in the short term, though the government itself next year may increase employment.

from across the country. On initial successes will be challenged today by an electoral pact signed recently by the two other parties qualified to run.

The Alliance for Democracy draws its support from the Yoruba ethnic group in the restive south-west of the country. It favours radical restructuring of the federation and a power shift from the traditionally dominant north to the south. The All People's party is a broader national coalition of political personalities.

Oil, paper, at least, they are unlikely partners. The AD includes some of the fiercest opponents of the late dictator Sani Abacha, who died in office last June. The APP on

the other hand harbours prominent politicians who supported Gen Abacha's discredited plans to succeed himself in elections.

In the face of the emerging dominance of the PDP, the two have agreed to collaborate in several states today and put forward a single presidential candidate in February.

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GUBERNATORIAL AND STATE ASSEMBLY ELECTIONS CLAMOUR GROWS ACROSS COUNTRY FOR A RETURN TO TRUE FEDERALISM

Devolution offers fresh hope in Nigeria

By William Watts in Lagos

Nigeria takes the penultimate step on its road to democracy today when the country's three political parties contest elections for state governors and assemblies.

The stakes are high. If all goes well, for the first time in years successful candidates can hope to preside over federalised and democratically governed states and address the issues behind bitter regional divisions. But if the exercise is marred by the fraud and vote-buying that has characterised past polls, the structure at the heart of Nigeria's political system could be fatally flawed.

The number of states in

Nigeria, 36 in total, has steadily increased along with their dependence on the centralised military regimes which have ruled Africa's most populous nation for all but 10 of its 38 years of independence. Regional governors became key players in a patronage system run by soldiers.

The promise of elected rule brings with it not only a powerful position within what remains of that system but a new constitution offering control by states of at least 13 per cent of their revenues, in addition to funds allocated by government.

Given the growing clamour in Nigeria for a return to true federalism, the civilian government due to be in place by May 23 is likely to

come under enormous pressure to award further concessions toward devolution.

Nowhere is this issue more keenly felt than in the southern state of Bayelsa, which produces close to a third of Nigeria's 2m b/d of oil but remains one of its least developed regions. Elections there have been postponed while troops try to quell a violent campaign by local activists from the Ijaw ethnic group demanding a fairer share of the proceeds from local oil wells.

Elsewhere, continuing enthusiasm for the electoral process, which began last month with local government polls and concludes next month with parliamentary and presidential elections, has been evident dur-

ing campaigning. But the weaknesses of the emerging political structures have also been underlined.

In some instances losers in acrimonious party primaries crossed the floor to join the ranks of their former opponents. With notable exceptions, wealth and personality have played a greater role in selection proceedings than either clean reputations or allegiance to the policies of parties which came into existence less than six months ago.

Last month's local government polls were won in a landslide victory by the People's Democratic party - a broad coalition advocating guided deregulation of the economy and including prominent political figures

from across the country. On initial successes will be challenged today by an electoral pact signed recently by the two other parties qualified to run.

The Alliance for Democracy draws its support from the Yoruba ethnic group in the restive south-west of the country. It favours radical restructuring of the federation and a power shift from the traditionally dominant north to the south. The All People's party is a broader national coalition of political personalities.

Oil, paper, at least, they are unlikely partners. The AD includes some of the fiercest opponents of the late dictator Sani Abacha, who died in office last June. The APP on

the other hand harbours prominent politicians who supported Gen Abacha's discredited plans to succeed himself in elections.

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NEWS DIGEST

MIDDLE EAST PEACE PROCESS

Israel presses US for Wye pact aid despite standoff

Israel is continuing to press Washington for \$1.2bn in aid to help carry out the Wye River accords with the Palestinians signed in October, even though Benjamin Netanyahu, the prime minister, has frozen implementation of the agreements. Senior Israeli treasury officials are travelling to Washington tomorrow to continue talks launched in November by Yehoshua Neuman, the former finance minister. The US has agreed in principle to the package.

According to a US official, the administration agreed to continue the talks since negotiations on the terms of the aid will be lengthy. "We believe that eventually Israel will fully implement the Wye accord," he said. However, the US expects Israel to continue transferring land to the Palestinians before resolving funds. Avi Meichaleh, Jerusalem

GREEK PRICES

Inflation falls to 3.9%

Greece's headline inflation rate last month dipped to 3.9 per cent from 4.2 per cent in November, amid optimism from Yannis Papantoniou, the economy minister, that consumer prices will approach those of the euro-zone by the end of this year. Lower international oil prices and cuts last autumn in taxes on fuel and cars helped push down the rate. The average inflation rate last year fell from 5.5 per cent to 4.8 per cent, the lowest in almost 30 years. Mr Papantoniou forecast that inflation would fall to 1.9 per cent next December, enabling Greece to qualify for membership of the euro in 2001.

The government outperformed its inflation target by an unexpectedly wide margin, analysts said. The year-end inflation rate was projected at 4.3 per cent in March. To secure a place in the euro-zone, Greece must reduce average inflation to within 1.5 percentage points of the average of the EU's three best inflation rate performers. Karin Hope, Athens

FRENCH INTERNET COSTS

Law on pricing threatened

Laurent Fabius, speaker of the French national assembly, yesterday threatened to impose legislation to cut the cost of internet connection if the government, regulators and telecommunications operators failed to agree on a formula to lower costs to the user. The move follows last month's call by Dominique Strauss-Kahn, the finance minister, for a review of telecommunications pricing for internet users. The government is hoping to find a "friendly" compromise with operators, to avoid legislation. Last month, ADIM - an association of "angry computer enthusiasts" - called for a 24-hour boycott of the internet in protest at the high prices charged by France Telecom, the party privatised telecoms operator. ADIM said internet use in France, at FF8.72-FF16.70 (\$1.55-\$2.97) an hour, was three times more expensive than in Italy. Sander Iskander, Paris

OLYMPIC SCANDAL

Salt Lake City heads to roll

The president and vice-president of the Salt Lake Olympic Organising Committee are expected to step aside in the wake of a bribery scandal. The officials were involved in Salt Lake's successful bid to host the 2002 Winter Olympics. That effort has become the target of four investigations of hundreds of thousands of dollars that went to scholarships and gifts for International Olympic Committee members and their relatives. AP, Salt Lake City

CITY OF LONDON CHANGES TO PLAN FAIL TO END WORRIES ABOUT BREACH OF EUROPEAN RIGHTS CONVENTION

Fears persist on regulation reform

By Jane Martinson, Investment Correspondent

A warning that modified government plans for UK financial regulation still breach the European Convention on Human Rights will be issued today by the former head of the UK's Serious Fraud Office.

George Staple, a partner at Clifford Chance, the London law firm, has identified proposed civil sanctions and the definition of market abuse as causing particular concern, and will express his views in a speech today.

The introduction of civil fines for a range of new offences defined as "market abuse" form a key part of the government's proposals to overhaul regulation. They were designed to answer criticism over the failure of the existing system to catch perceived offenders.

The SFO, under Mr Staple, was also criticised for its failure to win convictions in the courts.

Mr Staple defended the SFO's record yesterday, but said the new proposals were so vague that they fell foul of the notion of a clearly

defined offence governed by the convention.

"It will be difficult to enforce because people will be able to say that the crime of which I am accused is not clearly defined and therefore I wasn't able to understand the nature of the offence," he said yesterday.

He recognised the traps of the existing system of regulation in his speech: "A balance must be struck whereby effective and efficient regulation is established... while avoiding the delay, complexity and increased costs which have

so bedevilled the criminal and civil justice systems when dealing with financial matters."

The draft code of conduct on market abuse covers a range of offences from insider trading to giving the market the wrong impression of the supply and demand for an investment. Mr Staple believes that the nature of some of these offences and severity of the fines could lead to problems over whether they really do constitute "civil" matters.

The government has already indicated that it

would revise the draft bill after extensive City of London criticism since it was published in July.

The Financial Services Authority, which is to oversee the bill, has also published its own proposals on enforcement to meet other human rights concerns.

Mr Staple welcomed the "very considerable progress" but stressed that his two central concerns still needed to be met. Changes could be made to the draft bill after its scrutiny by a parliamentary committee due to report by Easter.

Gas pipe operator faces \$6m penalties after probe

By Andrew Taylor, Utilities Correspondent

Transco, monopoly operator of the UK's gas pipeline network, was yesterday reprimanded by the industry regulator for overcharging rival companies to link with its system.

It faces financial penalties if in future it abuses its dominant position in the gas connections market. Transco is owned by BG, the gas exploration and distribution arm of the formerly state-owned British Gas.

Ofgas, the regulator, said Transco had been inconsistent in quoting prices. It had also significantly undercharged some of its own customers for connections, giving "the appearance of anti-competitive behaviour". Ofgas said Transco also delayed giving quotations, disrupting rivals' business.

The regulator is to make an enforcement order requiring Transco to "introduce a compensation scheme for persons given late or wrong quotations". The penalties, which are not retrospective, could cost Transco up to \$6m (\$8.7m, £5.6m) annually, said the regulator. It added: "The present Gas Act does not allow us to impose fines for past activities. This will change next year when the new competition act comes into force."

Companies that had suffered would have to pursue their grievance with Transco individually, said the regulator.

Ofgas launched a series of "dawn raids" on Transco offices last summer, taking 7,000 documents, after rivals complained it was acting competitively in trying to win new contracts from householders and commercial developers.

Exotic Gas Solutions, a gas connections company, said last night that it would be seeking damages. It was also suing the company for libel after it issued a memo, subsequently withdrawn, telling Transco staff not to deal with Exotic.

Transco yesterday acknowledged that its "procedures have not been sufficiently rigorous". It said it was "establishing a separate connections business to operate independently of the (gas) transportation business".

POLITICS

Blair urges S Africa ministers to embrace Third Way

By Robert Preston, Political Editor, in Cape Town

The Third Way approach to government provided the only coherent response to the two biggest challenges facing South Africa and the UK, Tony Blair told a Cape Town meeting yesterday.

The UK prime minister was addressing South African ministers, MPs and business people in the city's parliament building on the final day of his three-day visit to South Africa. The challenges were "jobs and crime", he said.

The kernel of the speech was one of his most detailed expositions of the Third Way. He believes the attempt to create a new political credo - with flexible labour markets, competitive taxation rates and investment in education and skills - is attracting support from other governments.

His officials are encouraged by the explicit endorsement of the Third Way by Thabo Mbeki, the South African deputy president who is expected to succeed Nelson Mandela in the spring.

"The Third Way seeks to combine economic dynamism with social justice," Mr Blair said. Mr Blair explicitly endorsed Mr Mbeki's candidature in the forthcoming presidential election, a diplomatically



Tony Blair congratulates a British army training team at a medals ceremony in Cape Town. Outside, however, demonstrators from Muslim groups - carrying banners urging 'death to Tony' - were dispersed by police firing shotguns loaded with birdshot and tear gas. Mr Blair was demonised for the UK's recent involvement in air strikes on Iraq and the protesters burned US, British and Israeli flags. AP

German talks mark comeback for 'Prince of Darkness'

Peter Mandelson, the powerful ally of Tony Blair who resigned from the government last month, yesterday embarked on what could turn out to be the fastest comeback of all time.

Mr Mandelson, dubbed the "Prince of Darkness" for his years of behind-the-scenes work for the Labour party, resigned as chief industry minister after it was disclosed that another minister had lent him more than \$500,000 towards buying his home in a

fashionable part of London.

Mr Mandelson amazed political observers by holding talks in London yesterday as Mr Blair's personal envoy with Bobo Hornbach, a German chancellor minister whose reputation as a fixer in German politics mirrors Mr Mandelson's in the UK.

The meeting came only hours after Britannia building society, a savings and loans institution, decided not to press for a fraud inquiry into Mr Mandelson's application

for a £150,000 loan on his home. Mr Mandelson proclaimed that he was now "in the clear".

"I am puzzled by this, as I had been given to understand that Peter Mandelson had resigned from the government," said Michael Ancram, chairman of the opposition Conservative party.

But a Blair aide said: "Mr Mandelson was there to handle the party political aspects as the prime minister's personal envoy."

had a right to expect assistance from the developed world, he said, but also a responsibility to ensure "resources are used productively" and not on "white elephant projects or the cancer of corruption".

Mr Blair also made clear he was prepared to spend the coming year fighting the left wing of his governing Labour party in order to push through controversial policies on education, welfare reform and crime.

The prime minister said the left would attack him for "not applying traditional solutions" but he was ready to create a new "constituency among the people".

Mr Blair believes that John Major, his Conservative predecessor, failed because of weak leadership. "Nobody ever said it would be easy to rebuild Britain," he said. "It takes resolve; determination."

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Saturday January 9 1999

Week one of new life for the euro

There are two worrying aspects to this trend. First, the external deficit is clearly linked to a soaring US stock market that reached new highs this week. These gains have persuaded Americans to

However, upward pressure on the euro, if it materialises, would add to the deflationary forces in Europe, and might bring it close to the dangerous spiral of falling prices that afflicts Japan. The euro-zone is not as vulnerable to such deflation as Japan. But in conjunction with the uncertainties that beset the dollar and the US economy, the dangers are real enough. The ECB should do all it can to stimulate growth before it is too late.

● **Procedure.** To some extent, the trial now under way is like many in the American legal process: an unstoppable train. The “due process” of law, as sacred to Americans as the national flag, does not permit “quicker” justice. Oddly enough, this argument is used by all sides, even by those who have been pressing for a speedy resolution.

The 13 angry men charged with presenting the case, Republican members of the House of

of potential witnesses to ascertain the content of their evidence, and calling on witnesses for the defence, to undermine the prosecution's case.

"If they want to play hard ball," one White House adviser said this week, "they'd better be ready. They'd better understand what they're letting themselves in for."

Caught between these two arguments, Senate Republicans are divided. A handful are not

The House managers believe that, exposed in the Senate chamber, these and other witnesses could provide powerful evidence of a pattern of wrongdoing by the president.

Though the White House dismisses the claims and will not

Mr. Clinton's immediate reaction to the impeachment vote last month - a ceremony in the Rose Garden at the White House where his admirers condemned the House vote and called him "one of our great presidents" - is a spectacle senators do not wish to see repeated.

Instead, they believe, weighty consideration of the charges would convey the message that

The timetable for next year's presidential primary elections has been shifted forward, meaning that campaigning will probably begin as soon as this summer.

If, as seems possible, the Senate trial unfolds slowly over the next few weeks, perhaps dragging on into months, it may well be the Republicans pleading for a halt to the process, and the Democrats who find themselves outnumbering sagely about due process.

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LETTERS TO THE EDITOR

Know your enemy in the debate over building society demutualisation

Taking an inde

defensible position

on war loans

Opera not a 'rich man's playground'

One must note that the Met is also supported by many rich and prominent donors without whom it would not survive. As one of those supporting Vivien Duffield

1. The first step is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the problem.

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Taking an indefensible position on war loans

It really does seem time that the Debt Management Office

tion has eaten away most of the value of the loan. I estimate my

Marlborough
SNS 2BZ

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London W1A 1DN**

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Land and freedom

Alan Cane on the

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Bubbles will burst

Even optimists say the threats to the global economy are many, writes John Plender

When Noah faced a flood, he had the happy notion of building an ark. Many commentators fear that world stock markets may also be due for a deluge. Yet investors have been notably reluctant at the start of 1999 to build boats for a tide that looks increasingly deflationary.

Even the more optimistic pundits concede that the list of threats to the global economy is unusually long and impressive. Japan, the world's second-largest economy, is in such dire straits that it will subtract from global growth this year, while sending financial shock waves across the exchanges. Brazil, the last line of defence in the emerging market crisis, is struggling.

Continental Europe, where the euro-zone countries are running a \$100bn (\$59.5bn) current account surplus, cuts interest rates at a snail's pace and shares too little of the burden of the Asian crisis relative to the US. The risk of currency turmoil and trade friction looms large.

As for the US, which holds the key to global growth, the fortunes of the real economy are unhealthily dependent on the markets. The further equities rise, the more readily consumers borrow and spend, which boosts the economy. But as they run down their savings, the deficit on

the external account widens, raising questions about the willingness of the rest of the world to finance the resulting payments imbalance.

If the market falls sharply, Americans might lose confidence and rebuild their savings. This would knock the stuffing out of US demand and visit a huge shock on the global economy. If, by contrast, the market goes on rising and people continue to spend beyond their incomes, household and external indebtedness will become more obviously unsustainable. The market collapse would simply come a bit later.

Why then, with US equities already at peak levels, are investors in such sanguine mood?

The worst and most frequently articulated argument for equities is that monetary policy is benign. How can policy be benign when it helps expand a US bubble that could destabilise the world economy when it bursts? This is manic stock irrationalism.

Moreover, to the extent that cuts in nominal interest rates are a response to deflationary pressure, they may do little to help

the real economy. It is the level of real rates, after allowing for the change in price level, that matters. Note, too, that falling nominal rates did little for the Japanese market in the 1990s.

The much better argument, advanced by Gavyn Davies of Goldman Sachs, is that policy-makers will respond sensibly to threats and that the world economy will muddle through. But this raises the question of what constitutes sound policy when US equities continue to bubble.

Alan Greenspan, chairman of the US Federal Reserve, does not believe in making asset prices an explicit target of monetary policy, nor in prickling bubbles. In effect, his policy is to hope for a gentle market correction in response to weakening earnings.

Yet he does believe in preventing market collapses - witness his cuts in interest rates since September. The snag is that by decreasing the return on cash relative to equities and persuading investors that the Fed has put a safety net under the market, he has ensured an even bigger bubble. This, inevitably, is less susceptible to gentle deflation.

The US may thus be in the early stages of replicating the deflationary disaster in Asia, which is essentially a crisis of over-investment. For it is not just the US consumer who borrows and spends. Business investment in the US is growing at its fastest for 15 years, partly because of a decline in the cost of capital brought about by the stock market bubble.

As with Japan in the 1980s, this will distort investment in favour of inefficient projects. But portfolio investors have failed to observe that the low cost of capital means a low return on capital because the two numbers must equate. After the Asian miracle, it seems, we have a US miracle that will in due course leave an unholy hangover.

Could there be a miraculous escape? Possibly, if recent interest rate cuts in the west give Asia the leeway to trade its way back to health. But even in the two largest Asian economies hardly point in that direction. The growth prospect in China appears to be deteriorating. And the capacity of Japanese policy-makers to foul up is nonpareil.

Successive Japanese fiscal packages are being offset not only by collapsing consumer spending but by a reduction in business investment from its earlier absurd levels. The only question in 1999 is how far economic shrinkage can be stopped.

Meantime the authorities appear hell-bent on catastrophe. Their bizarre wish for a strong yen means that Japan is fighting a slump by tightening monetary policy. This also inflicts losses on Japanese overseas investors and curbs the yen carry trade, whereby people borrow in yen to buy dollar assets.

These changes in the relationship between the yen and the dollar mean that the driving force behind the US currency has shifted from the capital account to the current account. Nothing could be better designed to make the US payments deficit harder to finance. At which point, enter the euro to provide new competition for the dollar.

In sum, US policy relies on luck. Japanese policy is a disaster. European policy combines the crash of 1929 and the subsequent slump coincided with the difficult transition from

I HOPE IT'S NOT TOO LATE - IT'S A 'SELL' INSTRUCTION TO MY BROKER



deflation is that it responds less predictably to policy than inflation. Incremental change is rarely enough to restore business and consumer confidence against a background of falling prices. Note, too, that great market collapses often accompany changes in global currency relationships. The crash of 1929 and subsequent slump coincided with the difficult transition from sterling to dollar hegemony. Roger Bootle, the economist who warned of deflation earlier than most, is urging clients to read J.K. Galbraith's *The Great Crash*. Improving literature for the times - though the precise timing of any crash is inherently unpredictable. The point is that bubbles, like negative savings ratios or disintegrating current accounts, cannot go on for ever.

Land and freedom

James Buxton looks at the emotive issue of land ownership in Scotland and proposals to reform feudal estates

A few years ago, in a bleak, windswept corner of north-west Scotland, a group of crofters began a silent revolution. When the Danish owner of part of Assynt in Sutherland went bankrupt, the crofters issued a public appeal for funds and, casting off their feudal yoke, acquired the 21,000-acre estate.

Then, in 1997, the people of the Hebridean island of Eigg announced their emancipation by buying out their German landlord, a mysterious artist who had promised many improvements but delivered nothing.

Now the inhabitants of the 17,000-acre Knoydart estate in the western Highlands are negotiating to buy it with the help of Sir Cameron Mackintosh, the impresario who owns a neighbouring property. The new owners believe community ownership will help them develop new sources of income and revive the local economy.

For a first world country, the concentration of land ownership in Scotland is shocking. About 600 individuals - usually aristocrats or reclusive foreigners, or fat cats from the City - own 50 per cent of the land.

But if the Labour government has its way, land reform will be one of the first acts of the new Scottish parliament, which will be elected in May. Donald Dewar, the Scottish secretary, this week proposed that local communities should have the first right to buy big estates when they come up for sale. The price would be set by a government-appointed valuer rather than by the market. Money from the National Lottery would be available to help community purchases.

In extreme cases, the government would purchase or

expropriate properties that were badly managed or neglected.

Mr Dewar was broaching a highly emotive issue for many Scots.

The Highland clearances of the 19th century, during which hundreds of thousands of crofters were evicted from large estates, are engraved on popular memory. The resulting disintegration of Highland communities is blamed on landlords who abandoned farming in favour of deer-stalking, sheep farming or grouse shooting. Scots also dislike the fact that many owners are foreigners, or worse, Sassenachs (English) and spend only a few weeks a year on their properties.

The fact that estates change hands privately at high prices, and that the people who live on them are hardly ever consulted, only adds to the unpopularity of the system.

Mr Dewar's proposals are clearly aimed at boosting Labour's chances in the run-up to May's elections in Scotland, where the pro-independence Scottish National party enjoys strong support. Landowners, meanwhile, are not unduly alarmed. Few of them believe residents and tenants will really want to take on the burden of owning and running Highland estates, most of which lose large sums of money.

But Michael Foxley, a Highland councillor involved with both Eigg and Knoydart, believes Mr Dewar's proposals will gradually change the face of land-owning in the Highlands.

"Rich individuals will think twice about buying large properties," he says. "At the moment the sole criterion for being able to buy an estate is having money. Now owners will have to live with the local community



MacKenzie: 'Communities cannot appeal and infirmity to a sense of national conscience' James Gray

and manage the estates properly."

He thinks community purchase will become easier, partly because the government-appointed valuer will set prices according to what an estate will yield rather than its speculative or

'This estate couldn't survive without tourists... but most estates don't have that'

"bubble" value. In the case of Eigg, two independent assessors put its economic value at £750,000, but rival bidders pushed the price up to £1.5m, which the islanders met thanks to a big donation from a well-wisher in England.

Mr Foxley rejects the argument, put forward this week by Andrew Rennie of the estate agents Strutt & Par-

ker, that estates require injections of cash from rich owners just to keep going.

"A lot of what landowners describe as losses are simply what they are prepared to spend on their hobbies, like deerstalking. Communities can run things more cheaply."

But this is vigorously rejected by John Lambert, the factor (agent) of the Dunvegan estate on the Isle of Skye. He says the government is wrong to encourage people who have little money to embark on owning unprofitable estates. "The rent from the 145 crofters on this estate totals £260 a year. This estate couldn't survive without the tourists who visit Dunvegan castle (the seat of the Macleod clan). But most estates don't have that."

He believes the government will be sucked into subsidising the running of loss-making properties at the expense of more useful objectives. "If the private owner becomes disillusioned with investing money in the Highlands, what will the government do? It hasn't got

the skills or resources to replace him."

Perhaps surprisingly, John MacKenzie, the marine engineer who is a leader of the Assynt crofters, questions the sustainability of community ownership as a long-term policy. While he says Labour's proposals will remove many of the obstacles his group faced in their acquisition, he warns that even if estate prices are brought down, it will still be difficult to finance land purchases. "Communities cannot appeal and infirmity to a sense of national conscience" he says.

Mr MacKenzie says it would be more helpful if the government introduced a code of behaviour for landowners that would oblige them to take into account the interests of local communities. If that were to happen, the relationship between landlords and crofters would be less feudal, and local people would not feel the need to buy out their landowners.

Genetic pirates walk the plank

As the hunt for natural remedies intensifies, Thailand is battling to protect its treasures, writes David Pilling and Ted Bardacke

Deep in the jungles of northern Thailand lurks a plant root that has a miraculous effect on women's breasts.

Pueraria, used by Thais for decades, is a natural oestrogen booster that can enlarge breasts by up to "one inch in five days", according to Wichai Cherdshewasart, a plant biotechnology expert at Bangkok's Chulalongkorn University.

The trouble, bemoans Mr Wichai, is that at least two Japanese pharmaceutical companies have discovered the root's properties and are seeking to patent the active ingredient. According to the Thai government, foreigners are already plundering supplies and threatening the root's survival.

Thailand is so upset by what it sees as "biopiracy" that it is tabling legislation to protect its biodiversity and traditional knowledge of herbal remedies from foreign exploitation. After violating western intellectual property rights for years, Thailand is discovering how it feels to be robbed.

"When drug companies come here and collect samples, they say it is the collective heritage of mankind," says Dr Pannapa Subcharoen, director of the National Institute for Thai Traditional Medicine at the Ministry of Public Health. "Then they study it, develop it, claim intellectual property rights on it and come back to Thailand and make us pay for it."

There is nothing new in such behaviour. For decades international drug companies have scoured the earth for organisms whose active ingredients might prove beneficial.

in Scandinavian soil. Metrolin HF, a hormone used in fertility treatment, was originally extracted from the urine of European nuns.

But it is only recently that the issue of payment has cropped up. Drug companies argue that the greatest amount of intellectual property is created in the lab. Of the hundreds of thousands of samples they collect, only a few will have pharmaceutical use. Even then it takes years of painstaking trials and about \$500m (\$250m) to produce a marketable drug.

But the search for biological information, from which active ingredients can be synthesised or valuable information extracted, has intensified. The hunt for rare genes has become frantic as understanding of the genetic basis of disease improves. Typical is a Californian company that discovered two genes implicated in asthma by taking blood samples from nearly every inhabitant on the tiny island of Tristan da Cunha.

Merck, the world's biggest drugs company, paid Costa Rica \$1m for access to potentially useful plants, insects and micro-organisms. Xanova, a UK biotechnology company, is negotiating terms with Mexico to gain access to the Chiapas region, where Mayan inhabitants have a rich knowledge of herbal remedies.

Bronwyn Parry, a Cambridge University research fellow specialising in genetic resources, wonders whether "the flow of material from the gene-rich developing world to the gene-poor industrialised world is a form of bio-colonialism."

She says the Biodiversity Convention, signed by 155 countries since 1992, helps address the issue by making genetic resources part of the patrimony of the state, instead of being freely available to mankind as before.

According to Mr Parry, the

pharmaceutical industry has set compensation for genetic resources in three stages: an advance of \$10-\$15 per sample; some training and infrastructure support; and a 1-3 per cent royalty on sales.

But Thailand believes the Biodiversity Convention is not sufficient. It wants the additional security of national laws to control exports of genetic material.

"We're not trying to stop commercial development and we're not challenging the principle of intellectual property rights," says Dr Pannapa of the Traditional Medicine Institute. "But we don't want to be taken advantage of any more. We pay a lot for drugs and we need to have some rules, some self-defence."

Like oil-rich nations before them, many developing countries believe they are prey to exploitation because they lack the financial and human resources to profit from their natural bounty. Thailand has fewer than 100 PhDs in genetics and mycology (the study of fungi), and does not have the personnel or expertise to monitor foreign patent applications.

Pueraria is only one of Thailand's biological treasures. In 1978, the active ingredient in *Placenta*, a local herb whose medicinal properties were recorded centuries ago on palm-leaf books, was patented by Sankyo of Japan as an anti-aging treatment. And only last month, Portsmouth University agreed to return 200 marine fungi samples to Thailand after a two-year tussle.

Such incidents have made Mr Wichai suspicious. Thailand, he says, possesses a natural ingredient that has the same effect as Viagra, Pfizer's blockbuster anti-impotence drug. But the name and the whereabouts of that plant he is keeping strictly to himself.

MAN IN THE NEWS CHRIS GENT

Cellular visionary

Alan Cane on the Briton leading Vodafone's audacious leap across the Atlantic

It reads like a scene from a Hollywood "B" movie. The genial but ambitious computer company boss leans back from the lunch table, turns to his colleague and confides: "I will tell you the future of communications, Tony. It's called cellular radio."

Tony Lewis, executive director of the UK computing industry trade association, swears the story is true. He also acknowledges that neither he nor anybody else in the computing industry in the early 1990s had the faintest idea what Chris Gent, who made the forecast, was talking about.

At the time the youthful Mr Gent was president-elect of the UK computing trade association. Today, he is chief executive of Vodafone, the UK's largest and most successful mobile phone operator. He is also poised to realise the forecast he made 15 years ago.

This week, Vodafone made a bid for AirTouch, a US-based cellular operator. If the acquisition is successful, Mr Gent would head the world's largest cellular operator. The merged group would have a market capitalisation of about \$110bn and possess the geographic scale to challenge fixed-line opera-

tors such as AT&T, British Telecommunications and Deutsche Telekom. "This is his dream. It is something he has had on his mind for a long time," says a friend.

It is not the first time a union between Vodafone and AirTouch has been mooted. Eighteen months ago, merger talks collapsed because the two sides could not agree on a price. But when AirTouch said last week that it was considering a deal with Bell Atlantic, a US regional phone company, the Vodafone board responded in style.

Vodafone offered \$55bn in stock and cash for the US company, exceeding the \$45bn Bell Atlantic is believed to have offered and more than what many analysts believe to be fair value for AirTouch. The aim was two-fold: to pre-empt Bell Atlantic and other suitors; and to exploit a market that Mr Gent believes is woefully untapped.

This belief in a "wireless future" lies at the heart of

his thinking. He forecasts that every second person in the developed world will have a mobile phone within five years. The mobile phone will become the key to electronic banking, cashless shopping, the electronic newspaper, even the means to open your garage doors remotely.

It is a vision that was passionately shared by Sir Gerald Whent, Vodafone's founder and first chief executive. The common purpose has led to one of the most effective partnerships in the telecom industry.

"What was the entrepreneur," said a colleague. "He saw Vodafone as a huge piece of granite that he left Chris to sculpt." Mr Gent, unassuming and much-liked by colleagues and rivals, remains comparatively unknown in the wider business community partly because he seemed content to work in Sir Gerald's shadow until he finally succeeded him as chief executive in 1997.

This common core at the heart of Vodafone extends beyond the two top men. The board betrays a Japanese-like solidarity. "You have the feeling the board is a team. They have common ideals and a common vision," said a consultant who has worked with the company. "They understand the market and they know where they are going and how they are going to get there."

If Mr Gent is *primus inter pares*, he has lost no time in stamping his personality on the company. He began his career as a management trainee with National Westminster Bank before moving into the computing services business, becoming director of network services for ICL and managing director of Baric, a computer bureau owned by Barclays Bank and ICL.

His manner is unassuming but never diffident, in contrast to the taste for loud braces and coloured shirts that he has retained

throughout his rise. He regularly turns up unannounced at Vodafone's many locations in Newbury, in the UK's "Silicon Corridor". He remains the quintessential manager: informed but not interfering.

A former chairman of the Young Conservatives, he was a member of the Conservative party's national executive but has now apparently abandoned parliamentary ambitions. When Bell Atlantic made its bid for AirTouch, Mr Gent and Julian Horn-Smith, head of Vodafone International, were both on holiday in Australia watching England's cricketers, who are sponsored by Vodafone. In a rare burst of immodesty, Mr Gent claims credit for England's improved performance in the final two matches, though they still lost the overall series.

Where he deserves credit, however, is for Vodafone's remarkable resurgence over the past two years. In the 1980s the company was the

young Turk of the industry, wrong-footing its chief competitor, the BT subsidiary Cellnet, on every count as it snatched up the lion's share of business customers.

But by the 1990s, Vodafone had become part of the establishment. It was the market leader but was losing the initiative, especially among new, home subscribers, to British newcomers such as One2One and Orange.

Mr Gent restructured the group's distribution channels, established the new red Vodafone logo, cut prices, spent heavily on advertising and embraced new trends such as "prepaid" packages which involve neither service contracts nor monthly line charges.

The reward has been substantial. Vodafone has reinforced its leadership with a record 993,000 net new subscribers in the final quarter of last year, almost double Mr Gent's prediction. Vodafone now has 9.1m subscribers worldwide. Since Mr Gent became chief executive, Vodafone's share price has tripled to more than £10.

The battle for AirTouch will test Vodafone's nerve. But on past evidence, only a brave individual would bet against Mr Gent and his team winning the day.



UNIT TRUSTS

WINNERS AND LOSERS

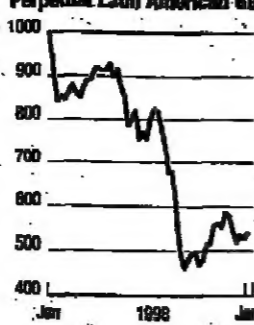
TOP FIVE OVER 1 YEAR:

Save & Prosper Korea	2,401
Barling Korea	2,147
Schroder Saudi	2,129
Fidelity American	1,782
Barling German Growth	1,729

BOTTOM FIVE OVER 1 YEAR:

Scott Widows Latin America	475
AB Growth Latin America	500
Edinburgh Latin America A	529
Five Arrows Latin America A	530
Perpetual Latin American Gth	538

Perpetual Latin American Gth



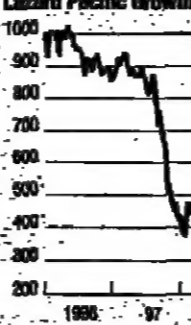
TOP FIVE OVER 3 YEARS:

Fidelity American	2,521
Investment European Growth	2,488
TU European	2,296
Newport European	2,273
Barling German Growth	2,235

BOTTOM FIVE OVER 3 YEARS:

Old Mutual Thailand Acc.	275
Save & Prosper Gold & Equity	316
Lazard Pacific Growth	421
Barclays Gold & Int'l Resource	423
Barling Eastern	437

Lazard Pacific Growth



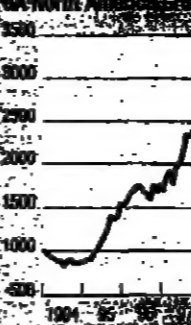
TOP FIVE OVER 5 YEARS:

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SA North American Growth	3,281
Investment European Growth	3,281
Barclays Gold & Int'l Resource	3,281
American Pacific Growth	3,281

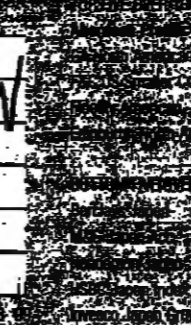
BOTTOM FIVE OVER 5 YEARS:

Save & Prosper Gold & Equity	325
Old Mutual Thailand Acc.	325
Save & Prosper South East Asia	325
Save & Prosper Korea	325
American Pacific Growth	325

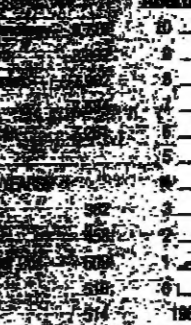
SA North American Growth



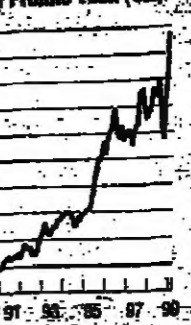
Barclays Gold & Int'l Resource



American Pacific Growth



Barclays Gold & Int'l Resource



Indices

Average Unit Trust	1082	1290	1460	3023	4.4	2.4
Average Investment Trust	1877	1354	1443	3323	6.2	4.6
Bank	1846	1121	1207	1732	8.0	5.7
Balancing Society	1842	1114	1232	1752	8.0	5.4
Stockmarket FTSE All-Share	1182	1872	1825	4135	3.6	3.9
Inflation	1081	1037	1101	1405	6.3	-

UK Growth

Jupiter UK Growth Exempt	1367	2222	-	-	4.9	0.9
Barclays Capital Growth	1447	1821	1886	-	6.7	-
Johnson Fry Sister Growth	927	1818	1881	4358	4.3	1.3
River & Mercantile 1st Growth	1108	1812	2238	-	3.5	0.6
Thornhill Capital	1186	1775	1887	-	4.0	0.8
SECTOR AVERAGE	1049	1449	1628	2961	3.9	1.5

UK Growth & Income

CF The Utilities	1184	1790	2086	-	3.7	2.1
River & Mercantile Top 100	1177	1753	-	-	3.9	2.8
Flaming Select UK Income	1125	1746	2815	3353	3.7	2.9
Laurens Kest Income & Growth	1106	1746	1840	-	3.7	2.9
HSBC Flexible Fund	1175	1703	1887	-	4.1	1.7
SECTOR AVERAGE	1081	1504	1888	3205	3.7	2.1

UK Smaller Companies

GT UK Smaller Companies Acc	1208	1665	1607	-	4.3	1.6
Handerson Exempt Capital	1089	1578	1628	-	4.3	1.6
NorthWest UK Smaller Cos	858	1487	-	-	4.7	2.1
Barclays UK Smaller Companies	847	1454	1698	2443	4.9	1.3
Laurens Kest Smaller Cos	869	1454	2033	-	4.4	1.7
SECTOR AVERAGE	900	1135	1318	2021	4.4	1.8

UK Equity Income

BWD UK Equity Income	1120	1738	2101	3770	3.4	3.2
Fidelity Income Plus	1132	1703	1747	2754	3.3	4.0
Prudential Dividend	1141	1685	1882	2412	3.8	3.7
NPI Global Core Income	1128	1620	-	-	3.1	3.1
Britannia High Yield	1121	1611	1885	4447	3.2	3.3
SECTOR AVERAGE	1091	1456	1582	3025	3.4	3.5

UK Equity & Bond Income

Abbey National Extra Income	1076	1551	1642	3883	2.5	4.2
Edinburgh UK Income A	1128	1506	1689	2566	3.0	3.4
DS UK Income	1073	1527	1645	-	2.9	3.2
Fidelity High Income	1114	1455	1450	-	1.3	4.4
HSBC High Income	1016	1479	-	-	2.5	4.4
SECTOR AVERAGE	1048	1383	1484	2574	2.8	4.5

UK Eq & Bd

Perpetual High Income	1025	1525	1788	4834	3.8	3.0
NPI UK Extra Income	1120	1506	1788	-	3.8	3.0
Capital Income Div	1036	1496	1615	2843	3.1	2.8
AXA Sun Life Income & Gth	1083	1495	1586	2605	3.1	2.5
AXA Sun Life Income & Gth	1078	1478	1573	2847	3.1	2.4
SECTOR AVERAGE	1059	1454	1622	3238	3.1	2.7

UK Fixed Interest

CAU PPT Preference	1088	1528	1591	2477	2.3	5.9
Morgan Gren NP Annuity Conv Ex	1152	1503	-	-	1.7	4.7
Prudential Prof & Fixed Interest	1122	1494	1600	2258	1.5	4.8
Handerson Preference & Bond	1081	1488	1582	2164	1.2	6.5
CAU PPT Monthly Income Plus	1091	1459	1533	-	1.7	6.7
SECTOR AVERAGE	1088	1325	1381	2258	1.4	5.7

UK Gift

Flaming Select Long-dated Gift	1245	1651	-	-	2.2	5.0
Fidelity Institutional Lg Gift	1243	1626	-	-	2.2	5.1
Mercury Long-Dated Bond	1176	1516	1980	-	3.1	3.2
M&G Gift & Fixed Interest	1183	1441	1471	2428	1.5	4.1
Flaming Select UK Index Linked	1171	1412	-	-	1.3	2.1
SECTOR AVERAGE	1134	1319	1326	2270	1.3	4.5

Far East & Japan

Flaming Far East Growth	989	1105	1211	2772	6.2	-
HSBC Hong Kong Growth	851	1022	949	4504	10.8	2.8
Henry Cooke LG East Enterprise	863	832	-	-	9.8	0.8
Handerson Asia Enterprise	1059	819	734	-	7.2	0.6
INVESTOR Hong Kong & China	738	811	874	3377	10.8	2.1
SECTOR AVERAGE	885	815	867	2373	9.1	1.3

Far East Inc Japan

Jupiter Far Eastern	1082	831	884	1803	7.7	-
Save & Prosper Far East Sm Cos	1033	817	510	-	6.1	0.4
AB Growth Greater China	860	807	686	1625	8.7	-
Royal & SunAll Far East	1048	780	753	1153	6.4	1.2
Drescher RCM Oriental Income	838	756	705	1073	6.5	3.1
SECTOR AVERAGE	854	850	818	1460	6.7	0.9

Japan

Bullitt Global Japan	1072	842	836	1241	5.9	-
Newton Japan	1018	833	822	978	6.2	-
Murray Japan Growth	1174	808	575	-	5.8	-
GT Japan Growth	952	805	688	1174	3.4	0.8
Martin Curle Japan	1082	788	880	-	5.8	-
SECTOR AVERAGE	1043	805	822	908	5.4	0.5

Europe

INVESTOR European Growth	1941	2438	2387	6402	8.7	-
TU European	1471	2228	2888	-	4.7	1.1
Newport European	1423	2273	2819	5288	5.8	0.6
Barling German Growth	1725	2226	2444	-	6.1	0.5
Thornhill Europe Euro St Acc R	1413	2207	2308	5287	6.2	0.1
SECTOR AVERAGE	1277	1820	2180	4470	6.5	0.7

Global Emerging Mkts

Stewart Ivory Emerging Market	743	880	886	-	8.3	1.2
HSBC Global Emerging Mkts	740	805	-	-	7.8	-
Mercury Emerging Markets	680	775	838	-	8.7	0.3
Germans PS Emerging Markets	741	767	486	-	8.4	1.1
Save & Prosper Emerging Mkts	718	738	-	-	8.5	1.1
SECTOR AVERAGE	680	683	688	1722	8.2	1.3

International Equity Income

GT International Income	1187	1641	1826	4200	3.5	1.7
Premier Global 100	1238	1544	1898	2259	4.3	-
Mayflower Global Income	1089	1413	1977	3109	3.4	2.2
M&G International Income	1073	1354	1486	3403	3.5	4.0
SECTOR AVERAGE	1159	1491	1687	3255	3.7	2.1

International Fixed Interest

Handerson International Bond	1085	1258	1304	-	1.8	4.0
Barling Global Bond	1094	1236	1337	-	1.3	4.5
Barclays Global Fixed Interest	1070	1234	1309	-	1.0	4.1
AES Int Bond & Convertible	1058	1225	1235	-	1.1	5.3
Marlborough Managed	1082	1218	1367	2541	1.7	2.9
SECTOR AVERAGE	1085	1074	1140	1987	1.7	4.4

International Equity & Bond

Flaming General Opportunities	1176	1827	1891	-	2.6	3.0
GA Income Portfolio	1115	1467	1441	-	3.8	2.5
Bank of Ireland Ex Mgt Growth	1091	1432	1681	3811	3.7	1.8
Germans PS Medium Term Bond	1187	1404	1624	3010	2.2	2.3
MT General	1111	1402	-	-	3.8	3.3
SECTOR AVERAGE	1107	1309	1387	3078	3.8	2.4

International Growth

Germans Global Utilities	1372	1904	2836	-	4.5	1.1
Fidelity Managed International	1380	1825	2286	4712	5.3	0.5
Franklin International	1088	1808	2170	3376	5.3	0.7
Scott Equitable Technology	1287	1795	2482	3813	6.2	0.8
Scott Equitable Technology	1283	1741	3164	9719	7.7	-
SECTOR AVERAGE	1085	1280	1480	3133	5.1	1.1

INVESTMENT TRUSTS

WINNERS AND LOSERS

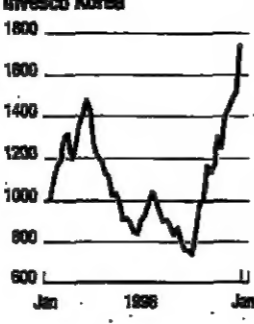
TOP FIVE OVER 1 YEAR:

Invesco Korea	1,742
American Preferred Income	1,631
Perpetual European	1,590
Handerson EuroTrust Units	1,495
Germans European	1,429

BOTTOM FIVE OVER 1 YEAR:

First Russian Frontiers	154
International Biotechnology	374
Foreign & Col Int'l Markets	386
Aberdeen Latin American	497
Ten Phosphates	542

Invesco Korea



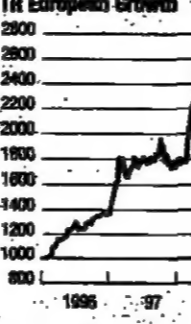
TOP FIVE OVER 3 YEARS:

Foreign & Col Enterprises	2,323
Perpetual European	2,172
TR European Growth	2,090
Handerson EuroTrust Units	2,075
Flaming American	2,225

BOTTOM FIVE OVER 3 YEARS:

East German	187
Edinburgh Jew	251
Siam Selective Growth	265
First Russian Frontiers	292
Pacific Assets	316

TR European Growth



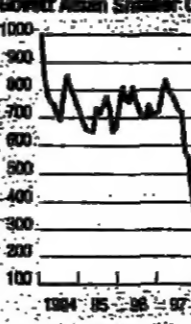
TOP FIVE OVER 5 YEARS:

Foreign & Col Enterprises	3,385
TR European Growth	3,127
Handerson EuroTrust Units	2,772
Katharine Development Fund	2,705
Germans European	2,549

BOTTOM FIVE OVER 5 YEARS:

East German	120
Edinburgh Jew	144
Siam Selective Growth	229
Germans Asian Smaller Cos	238
Germans European Pacific	260

Germans Asian Smaller Cos



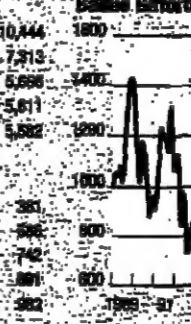
TOP FIVE OVER 10 YEARS:

Foreign & Col Enterprises	10,444
Capital	7,713
Flaming American	5,656
Edinburgh US Treasuries	5,811
Barling European	5,882

BOTTOM FIVE OVER 10 YEARS:

Invesco European	381
Bullitt Global Japan	581
Foreign & Col Int'l Markets	742
Bullitt Global Japan	881
Flaming American	882

Bullitt Global Japan



Int General

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CONSTRUCTION - Continued

EXPERIMENT 1 – Continued

FROM PATRONS TO - Confound

REFERENCE - Continued

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DECLASSIFICATION - Confirmed

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ENGINEERING

FOOD PRINCIPLES

SURANCE

Northern Ireland

Thursday April 1

For further information please contact:

Charles Blandford
Tel: +353 1 676 1184 Fax: +353 1 676 2125

or Tracey Endacott in London
Tel: +44 171 873 4356 Fax: +44 171 873 4862
email: tracey.endacott@ET.com

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NEW TRUSTS SPLIT CAPITAL

هكذا من الأصل

Highs & Lows shown on a 52 week basis

WORLD STOCK MARKETS

NORTH AMERICA

UNITED STATES (Jan 8 / US\$)

45 min close

DOW JONES

S&P 500

NASDAQ

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EUROPE (NON-EMU)

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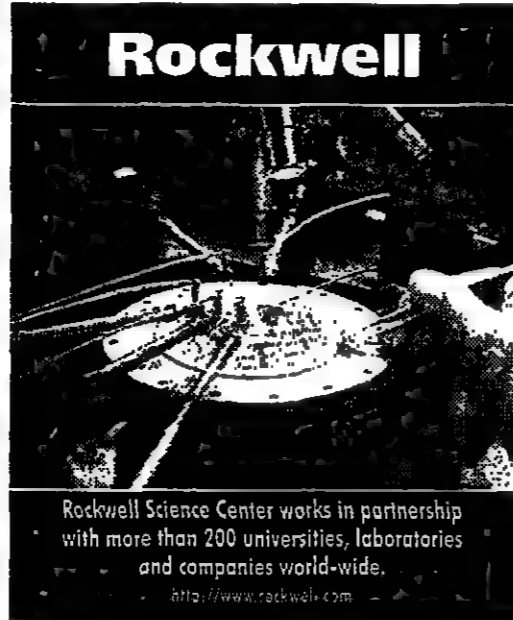
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EUROPE (EMU) Prices in €

UNITED KINGDOM (Jan 8 / £)

45 min close

FTSE 100

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CAC 40

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WORLD STOCK MARKETS

Shares mixed after release of jobs report

AMERICAS

US blue chips and high-tech shares rose in early trading, but the broader market was more mixed following a stronger than expected labour report, writes John Labate in New York.

By early afternoon the Dow Jones Industrial Average had gained 44.59 to 9,563.35. The broader Standard & Poor's 500 index had stalled, however, falling 1.01 to 1,268.72.

Surging internet and telecom prices continued to lift the Nasdaq composite index, which was 21.32 higher, a gain of nearly 1 per cent, to 2,247.41.

The morning release of the monthly employment report helped some stocks. Payrolls in December grew by 278,000, a much stronger return than analysts had expected, providing the latest evidence that fourth-quarter growth will be strong.

The unemployment rate fell to 4.3 per cent, and stocks rose despite the threat of higher interest rates which could accompany economic strength.

"It's not the economic cycle that is controlling the stock market, it's the mood cycle, and the mood is to buy stocks," said Alfred Goldmann, chief market strategist at A.G. Edwards in St Louis.

Cyclical shares gave the Dow a boost, with Alu-

minium Company of America up more than 3 per cent to 383.75 after reporting strong quarterly figures. International Paper climbed 6.9 per cent to 34.65.

Automotive shares continued higher as well, with General Motors up 3.4 to 38.24. In telecoms, AT&T rose 1.1 to 38.4 after announcing a share buyback programme.

Internet stocks surged in anticipation of upcoming earnings releases. Yahoo!, which is expected to report on Tuesday, climbed 3.3 to 10.26, while e-commerce.com shares were halted after a morning rise of 86.4 to 328.1.

TORONTO pushed steadily higher in early trading on the back of positive news from the metals sectors and a renewed rally for banks.

Base metal prices showed signs of rallying. US industry leader Alcoa, turned in strong fourth-quarter earnings and at home Alcan Aluminium was upgraded by Merrill Lynch.

As metals surged, the 300 composite index had risen 74.51 to 6,875.40 by the noon count. Inco jumped 3.1 to 38.15 and Alcan rose 3.1 to 38.15.

Golds, in contrast, were mixed. Barrick shed 16 cents to 38.15. In banks, Royal Bank of Canada rose 3.1 to 38.15.

Cyclical shares gave the Dow a boost, with Alu-

São Paulo rallies after slide over debt setback

SAO PAULO, down more than 5 per cent on Thursday after a Brazilian state ran into debt difficulties, rallied on what brokers described as modest bargain hunting.

Traders felt the market had over-reacted to the news of a 90-day moratorium on payments due to the federal government by Minas Gerais, Brazil's third biggest state.

In early trading, Telebras receipts recovered 0.1 per cent to R\$92.30 and the

benchmark Bovespa index was 2.7 higher at 6,893 at mid-session.

MEXICO CITY also recovered in subdued trading, the IBC index adding 8.57 to 3,673.82 at mid-session. Market heavyweight Telcel rose 30 centavos to 33.70 pesos.

CARACAS pushed higher, aided by a better start for international oil prices. At mid-session, the IBC index was up 121.30 to 2.1 per cent at 4,484.88.

EUROPE

German equities ended a strong week in FRANKFURT with the Xetra Dax index adding 24.80 to 5,370.51 for a net gain over the five days of 7.2 per cent.

Dresdner Bank rose 2.30 to 243.70 as investors took stock of news of the bank's plan to put DMS20n of non-bank share stakes into a separate company. Allianz added 1.00 to 243.50.

Krupp and Thyssen rose steeply after several brokers turned more positive on the

underperform" on the sector. Thyssen surged 2.00 to 117.50 and Krupp 1.50 to 112.50.

Deutsche Telekom, linked by speculation to a possible takeover bid for Cable & Wireless of the UK, fell 1.63 to 232.52. Mannesmann dipped 2.38 to 214.25.

PARIS ended 14.75 ahead at 4,245.42 on the CAC 40 index helped by a bounce for technology-related stocks and another strong session for LVMH.

Cap Gemini rose 2.5 to 215.75 and STMicroelectronics 2.50 to 278.50. LVMH stayed firmly in favour, racking up a three-day gain of more than 15 per cent with a rise of 2.7 to 212.5 as investors continued to warm to speculation about a takeover bid for Italian fashion house Gucci. Food group Danone was the day's loss-leader, slipping 1.7 to 7.1 per cent to 42.25.

AMSTERDAM ended 1.81 lower at 559.27 on the AEX index in spite of another strong showing for tech shares. Philips rose 2.45 to 65.65 and the fierce rally at Beas continued apace. The

steel sector. Merrill Lynch lifted its ratings for the two groups, due to complete a merger by early March, to "buy" from "accumulate". Salomon Smith Barney moved to "neutral" from

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ASIA PACIFIC

Volatility in the currency markets sent shares in Tokyo down yesterday, writes Naoko Nakamura in Tokyo. The Nikkei 225 Average fell 1.07 per cent to 14,478.10 after trading between 13,507.06 and 13,528.84.

Other indices were also down, with the weighted Nikkei 300 index losing 1.35 per cent to 2,887.75 and

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SOUTH AFRICA

Jobannesburg rose for the fourth session running with strong financials underpinned by base rate cuts.

The all share index rose 1.7 per cent to 8,819.1 and industrials 1.3 per cent to 6,885.4 but the main driver came from financials which rose 2.3 per cent to 8,844.4. Golds improved on the back of a better day for the

bullion. The sector added 1.7 per cent to 982.4.

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CYCLOSTOCKS

cyclical stocks outperformed the market. The general index closed 1.06 down at 914.91. It has put on 5.4 per cent since the start of the year.

Investors lean towards stocks that failed to rise with the rest of the market in the days after the launch of trading in euros.

Aceralia, the steelmaker, rose 0.14 or 11.2 per cent to 10.44 while fellow steel manufacturer Acerinox

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Issues

COMPANIES & FINANCE

LEISURE CASH AND SHARE OFFER WORTH 412½P ■ BIDDER CLAIMS SUPPORT OF THREE NON-EXECUTIVES

Wembley rebuffs £228m bid from Enic

By Patrick Harveron

Enic, the sports and entertainment group, yesterday showed no sign of giving up its quest to take over Wembley after its approach was narrowly rejected by the leisure company's board.

The group, founded by billionaire financier Joe Lewis, confirmed that it had made a £228m cash-and-shares offer to Wembley's board, and outlined its support for the Wembley stadium recon-

struction plan which lies at the heart of England's bid to host the 2006 World Cup.

In a brief statement released after the stock market closed, Enic said it had offered 412½p a share, comprising 200p cash and the balance in shares. Yesterday, Wembley shares closed down 16p at 351½p.

Enic said its bid enjoyed the support of Wembley's three non-executive directors - Jarvis Astaire, a promoter, Peter Mead, chairman of

advertising agency Abbott Mead Vickers, and Roger Brooke, chairman of venture capital group Candover.

Enic's offer was prompted by the failure of the three non-executives to block Wembley's plan to sell the 75-year-old stadium to the English National Stadium Trust for £108m.

That deal is intended to pave the way for the £250m-plus redevelopment of the stadium into a modern, 80,000-seat sports arena capa-

ble of hosting the World Cup and the Olympic Games.

Wembley's management hopes to sign the contract on the sale of the stadium in the next few days, and claims to have the support of Phillips & Drew Fund Management and Schroder Investment Management, which between them own 37 per cent of the shares.

According to Wembley's advisers, the shareholders would rather have the money from the sale of the stadium than a combination of cash and equity from a loss-making business such as Enic.

They also believe the offer price undervalues Wembley's highly profitable US greyhound track and gambling businesses.

Yesterday Enic pointed out its 412½p offer represented a 43 per cent premium to Wembley's closing share price on the day before takeover speculation began, and that the 200p cash it was

offering was worth more to shareholders than anything they could receive from the £108m stadium sale.

Although Wembley management appears committed to selling the stadium, it would consider a higher offer.

Last night Enic would not say whether it intended to return with an improved offer.

Enic controls or owns stakes in five European football clubs.

Allied Leisure in merger talks

By Charles Prezlitz

Allied Leisure, the ten-pin bowling and restaurants group which also owns 34 Burger King franchises, is in preliminary merger talks with rival European Leisure.

Allied is understood to have suggested a nil-premium merger to European, which has interests including bars, discotheques, and pool halls.

European has a market capitalisation of £25m and Allied is worth £30m.

The discussions are said to be at an early stage.

One analyst said: "There are going to be a lot of these sorts of conversations over the next couple of months. There has got to be some consolidation in the sector."

Like many small leisure groups, Allied faces pressure from institutional shareholders to participate in industry rationalisation. Phillips & Drew Fund Management, which was at the centre of several takeovers last year, holds a 19 per cent stake in Allied.

European, which has built

up a 24 per cent holding in fellow leisure operator Waterfall Holdings, has also had informal merger talks with other rivals.

Allied is known to want to add a third division to its existing bowling and restaurant business. It nearly doubled pre-tax profits last year to £4.38m on sales up 26 per cent to £38.5m. It has been expanding its Burger King side aggressively and aims to have 70 sites within five years.

European has repositioned itself, selling Maygay Machines, its amusement machine manufacturer, and expanding the Rileys American pool and snooker division. Last year sales fell from £28.1m to £7.4m and pre-tax profits from £7m to £566,000. Analysts said combining the two groups could be complicated by potential differences over management structure. Allied is run by Neil Goulden, managing director, and European Leisure by Ian Rock, chief executive. Allied shares were unchanged at 35p yesterday. European rose 1½p to 78½p.

ICI still hoping to find purchasers for its tioxide division

A stalled disposal programme leaves interest cover exposed, but analysts reckon it is manageable for now, writes Virginia Marsh

The unexpected collapse of Imperial Chemical Industries' deals to sell its titanium dioxide businesses this week was the latest in a series of blows for the company. But in spite of the setback, analysts believe ICI may still be able to dispose of the businesses for close to £58m, the sum it would have realised from its deals with DuPont and NL Industries of the US.

Shares in ICI, which is attempting to transform itself from a bulk chemicals producer into a higher-margin speciality chemicals business, have slumped in recent months as pressure has mounted to cut its £4bn debt with disposals. The shares closed yesterday at 468½p, down 53½p on the week but up 8½p on the day, compared with more than £13 last May.

In the case of tioxide, however, the delay in clinching a sale has coincided with an improvement in the division's performance. Since ICI agreed the sale of its European tioxide operations to DuPont for £455m in mid-1997, prices for tioxide have shot up.

Analysts estimate the formerly loss-making business will contribute operating

profits of more than £70m to ICI's 1998 results, due next month. Prices for tioxide - a white pigment used in paint - have risen from a trough of about DM2,000 a tonne in late 1996 to DM4,125 in the middle of last year. Robyn Coulson, an analyst at Merrill Lynch, says prices may fall off this year but, at present, they are still high at about DM4,000 a tonne.

Analysts say DuPont and NL may yet buy parts of the businesses they had been due to buy before US regulators blocked their original deals - NL had hoped to take over the North American tioxide operations for \$250m (£149m) under an agreement announced last July.

The other deal to collapse on Monday - the sale to DuPont of a share in a loss-making PTA plant in Pakistan - is smaller, but more problematic. The plant, which became operational in the third quarter of last year, was commissioned at a time when PTA - the raw material for polyester fabric and plastic - was seen as a growth area. But too much capacity has been built and prices have slumped.

Dreadnought Kleinwort Benson estimates the business

will have lost £15m-£20m in 1998 and will be £30m-£40m in the red this year. In addition, it lingers ICI with an extra £240m in high-interest debt. This, combined with the losses, will offset the profits from tioxide.

Monday's announcements followed October's collapse of the disposal of Crofield. The sale of the Warrington-based business to WR Grace of the US for \$455m was also aimed at reducing debt and restoring interest cover - now thought to be an uncomfortable 1.7 times.

Grace cited problems with US regulators, but was widely seen to have found a convenient exit to a deal that looked expensive six months after it was agreed.

It appears that ICI - which is thought to have an in-house team of 40 working on disposals - may keep Crofield, now valued at less than \$400m by Lehman, in the short-term. A fifth of the 1,000 job cuts it announced as part of a £120m restructuring this week are to be made at the former Unilever business.

As for industrial chemicals, the largest of the other businesses up for sale, there has been a resounding silence. In contrast to tiox-

ICI

Disposal programme

Completed	Amount raised (£m)	Year
ICI Australia	380	1997
Polyester	771	1997
Formal products	122	1997
Fertiliser and ammonia	200	1997
South Africa explosives	78	1997
Other	14	1997
Methylterbutyl	57	1998
Phosphate Res	430	1998
American and European explosives	230	1998
Other	28	1998
Wilton Utilities	300	1998
Total	2,167	

Share price relative to the FTSE World Chemicals Index



ide, the performance of the cyclical industrial chemicals business, most of which is UK-based, has deteriorated sharply in the wake of the Asian crisis, the strong pound and the decline in UK manufacturing. Factors such as Asia have also taken their toll on potential buyers of the businesses such as BASF of Germany, DSM of the Netherlands and Dow Chemical of the US.

From making operating profits of £391m in 1995, the division - which ICI has been trying to sell since it bought the Unilever speciality chemicals operations for \$4.7bn in mid-1997 - is expected to have made losses of more than \$40m last year.

Analysts put industrial chemicals' value at anything from £500m to £1bn. But even if ICI were to find buyers for this division and for tioxide, it would still be well short of the £5bn that Merrill Lynch estimates it needs to restore interest cover to five or six times.

Interest cover at this level would give it the financial firepower to expand its new speciality chemicals core, a consolidating sector rich in interesting potential acquisitions.

With disposals failing to materialise, attention has turned to materials and coatings, both divisions previously considered central to the new ICI. It looks increasingly likely that ICI will have to dispose of at least parts of one or both businesses to reduce its debt.

While the debt is huge for a company expected to report 1998 pre-tax profits of some £315m (£518m) before exceptional, analysts say it is manageable for the time being.

But although ICI has said it will maintain its 1998 dividend at 33p - a level at which it will be barely covered by earnings - the consensus is it will eventually have to cut the pay-out in response of progress on disposals.

P&D backs Siebe move for BTR

By Andrew Edgecliffe-Johnson

Phillips & Drew Fund Management, one of the largest investors in BTR, has decided to back the former conglomerate's all-share takeover by Siebe, the controls and automation group.

P&D, with just over 10 per cent of BTR, is now the second largest investor after Franklin Resources of the US, which has just under 11 per cent. Its support will bolster expectations that the deal will be approved by both engineers' shareholders, despite the dissatisfaction expressed by some investors and analysts.

As expected, Highfields Capital, a US value investor which built up a 1 per cent stake in BTR following the announcement of Siebe's deal, is planning to vote against the proposal.

Shareholders of both companies must vote on the deal on January 13. Allen Yurko, Siebe chief executive, said he was "quietly confident" of success, after talking to investors in both companies since Christmas.

P&D said: "We will be voting in favour" of the offer, which values the combined companies at about £3.3bn.

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UNITED KINGDOM DEBT MANAGEMENT OFFICE OFFER OF CONVERSION TO HOLDERS OF 12½% TREASURY STOCK 2003-2005 TO CONVERT INTO 6½% TREASURY STOCK 2003

THE UNITED KINGDOM DEBT MANAGEMENT OFFICE ("DMO") has announced today that holders of 12½% Treasury Stock 2003-2005 may convert all or part of their holdings into 6½% Treasury Stock 2003 at the rate of £124.10 nominal of 6½% Treasury Stock 2003 per £100 nominal of 12½% Treasury Stock 2003-2005.

All holders of 12½% Treasury Stock 2003-2005 will receive a conversion notice and a conversion form in the next few days which set out the detailed terms of the offer together with the action required to be taken to assent to the conversion offer. For holders on the Bank of England Register and on the Bank of Ireland, Belfast Register, completed conversion forms must be received by 12.30 pm on Thursday, 28 January 1999. Separate acceptance arrangements apply to members of the CGO Service.

Holders who do not wish to convert any part of their holdings need do nothing.

Stockholders uncertain as to the best course to follow should consult their stockbroker, solicitor or accountant or other professional adviser.

Further information on this conversion offer may be obtained from the following telephone numbers:

Bank of England 01452 398080 Bank of Ireland, Belfast 01232 315988
DMO 0171-862 6500

7 January 1999

The United Kingdom Debt Management Office is an Executive Agency of HM Treasury

Marston launches counter-bid for Wolves

By David Blackwell

Marston Thompson & Everard yesterday revived the so-called Pac-man defence by launching a counter-bid against rival regional brewer Wolverhampton & Dudley.

The Pac-man defence - where a target company turns the tables on an unwanted predator and makes an offer for the bidder - was last used in the UK 10 years ago.

Marston's plan involves selling 1,150 pubs for £250m, shedding 340 jobs and closing both the Wolves breweries, getting Bass to brew Wolves beer under contract. It claims its proposals would generate annual savings of £24m - twice the amount Wolves has said could be saved by merging the two.

Shares in Wolverhampton & Dudley - which this week said it had won just 0.89 per cent of Marston - jumped 73½p to close at 510p yesterday, pushing the value of its cash and paper bid to £276m.

Shares in Marston added 4p to 302½p. The group - which would continue to brew its Pedigree brand at Burton - is offering its shareholders a special dividend of 123p and Wolves holders a mix of 240p cash and two Marston shares, valuing its target at £254.5m.

Nick Letchet, Marston chief executive, said shareholders would have to choose between the proposals. Marston was offering "horizontal" integration, concentrating on the national Pedigree beer brand and Pitcher & Piano managed pubs, as opposed to Wolves' vision of a larger but still vertically integrated regional brewing group. He denied Marston's proposal was a ploy to get Wolves to increase its offer.

Wolves described Marston's move as "disintegration, downsizing and dilution". Rejecting the offer, David Miller, chairman, said Marston had "chosen to embark on an expensive and flawed counter-attack".

Analysts said there were merits in both approaches to industry consolidation, although one dismissed both companies as "pretty bad" and two wrongs don't make a right.

Lex, Page 24

Hozelock poised to go private

By David Blackwell

Hozelock, the garden hose and pond equipment group, looks set to join the list of smaller public companies to quit the stock market, following an offer of 360p a share from Thistlehaven, a vehicle backed by CVC, the venture capitalist.

The offer price, which values the group at £25.1m, compares with yesterday's closing share price of 292½p, up 1¼p.

David Hargreaves, chairman, said the group had performed well after floating in 1998, and the shares had reached a peak of 850p in May 1998. But two wet summers had left the performance flat. Leaving the Stock Exchange would relieve the group from short-term performance pressures, he said.

Last month, the shares rose sharply on news that David Codling, chief execu-

tive, had made an approach to take the company private. However, Mr Hargreaves stressed yesterday that the proposed deal was not a management buy-out.

Mr Codling, whose father set up the company in 1966, led the £24m management buy-out of Hozelock from Romper, the conglomerate, in 1980, when he was backed by CVC Capital Partners and a syndicate of other venture capitalists. Yesterday, he said the group would be able to develop its business more easily in the private sector "rather than as a publicly traded small capitalisation company".

Hozelock, which has a dominant position in the UK market for watering systems, made pre-tax profits of £4.74m on turnover of £39.9m in the year to September 28, down from profits of £9.81m in 1995-96. The group was advised by Close Brothers.

RMC warns on German setback

By Charles Prezlitz

RMC, until recently Britain's biggest building materials business, yesterday warned its annual profits would be severely hit by difficulties in eastern Germany.

In its first ever such warning, RMC said profit before tax and exceptional items for 1998 was "not now expected to exceed £265m" - 10 per cent lower than a consensus forecast of about £295m.

In 1997 RMC's pre-tax profit was £307.6m. It blamed "a substantial decline in activity" in eastern Germany in the second half. The whole German business was hit by bad weather.

The statement prompted HSBC Securities to cut its 1998 forecast from £287m to £257m. It is expected to reduce its 1999 forecast to about £285m (£320m).

The shares dropped 5p to 693p.

Germany is one of RMC's most important markets, accounting for 28 per cent of sales last year. Eastern Germany accounts for about a quarter of that. The group last year invested some £70m in acquisitions in the country, plus about £80m in capital expenditure.

Mike Betts, an analyst at JP Morgan, the broker, said: "In the short-term it doesn't look great, but if Germany picks up at the end of 1999, the expansion there won't look like such bad timing."

He expected trading in Germany to remain difficult in the current half.

Peter Young, chief executive, said sales volumes in eastern Germany had fallen by up to 25 per cent in the second half. Prices for most of RMC's products had fallen in the region and margins there were 2 per cent lower.

Lex, Page 24

NEWS DIGEST

PHARMACEUTICALS

Glaxo Wellcome builds £85m factory in China

Glaxo Wellcome has begun building an £85m manufacturing plant in China following Chinese regulatory approval of lamivudine, its oral treatment for hepatitis B. The factory, at Suzhou in the Jiangsu province, near Shanghai, will produce lamivudine as well as antibiotics. China has the world's highest incidence of hepatitis B, a potentially fatal liver disease that affects 350m people globally.

Although up to a tenth of China's population may be affected by hepatitis B, many in rural areas have little or no access to western medicine. Procedures governing state reimbursement for healthcare are being reviewed. Before Glaxo can launch lamivudine, which will be marketed as Heptodin, it needs a drug import permit to supply its factory and to agree pricing with the Chinese authorities.

Analysts estimate that lamivudine, which is sold under the brand name Epivir for HIV, could achieve additional sales of £250m-£300m as a hepatitis B treatment. About half of that could come from China, David Pilling

SHARE DEALING

Abbey sells Irish Perm stake

Abbey National has sold its 9 per cent stake in Irish Permanent, the mortgage lender, at a profit of £60m. Abbey, which acquired the stake immediately following Irish Permanent's flotation at the end of 1994, had been tipped to launch a bid for the company when its immunity from takeover expired last October. But any such hopes were quashed by Irish Permanent's decision, confirmed last month, to merge with Irish Life, the insurer.

However, Abbey said a takeover bid was never its intention. "This was always a trade investment", Nick Chaloner, Abbey's director of corporate affairs, said yesterday. Abbey bought its 8.15m shares at an average of 232p and sold at 97½p.

Shares in Abbey closed yesterday at £13.13, up 14p. Irish Permanent closed up 30p in London at £10.20. **Vicki Baldwin**

ELECTRONICS

Bowthorpe buys Wireless unit

Bowthorpe, the electronics group, said yesterday it was buying the industrial wireless testing division of Wireless Telecom Group of the US for \$19m (£11.5m). Telecommunications has become Bowthorpe's second biggest market after construction and is part of the group's move into faster growing businesses. Last year, Bowthorpe said it had a £150m war chest for acquisitions. Wireless Telecom's testing division makes products used by developers of cellular phones, modems and radio transceivers. The unit will add to Bowthorpe's existing wireless and satellite testing business.

In a separate move, Bowthorpe will sell to Wireless Telecom its non-core noise generation product lines for \$2.5m. Bowthorpe shares closed up 16p at 357½p. **Lucy Smy**

RESULTS

	Turnover (£m)	Pre-tax profit (£m)	EPS (p)	Current dividend (p)	Dividend corresponding dividend	Total for year	Total last year
Crown Glassware 6 mths to Sept 27	5.02	(5.83)	0.016	(0.205)	0.7	(8.8)	-
Solers 6 mths to Sept 30	20.6	(20.5)	1.83	(1.78)	2.4	(2.4)	4.5
							12.5
							0.28

Gains shown basic. Dividends shown net. Figures in brackets are for corresponding period. Φ Air stock. Ψ After exceptional credit.

FIDELITY ORIENT FUND

Source of Investment Capital Variable
Kensington House - Place de l'Europe
B.P. 2174, L-1021 Luxembourg
R.C. Luxembourg B 19061

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of Shareholders of Fidelity Orient Fund (the "Company") will be held at the registered office of the Company in Luxembourg on January 19, 1999 at 11.00 a.m. to consider the following agenda:

- To resolve to liquidate the Company.
- To appoint Fidelity Investments Luxembourg S.A. as the Liquidator and to determine the powers to be granted to the Liquidator and the liquidation procedure.
- To fix the date of the second Shareholders' Meeting to hear the Report of the Liquidator and to appoint PricewaterhouseCoopers, Luxembourg as Auditors to the Liquidation of the Company.
- To fix the date of the third Shareholders' Meeting to hear the Report of the Auditor and to resolve to close the Liquidation of the Company.

In order to deliberate validly on item 1 of the agenda, at least 50% of the shares issued must be represented at the Meeting, and a decision in favour of the Resolution must be approved by Shareholders holding at least 75% of the shares represented at the Meeting.

Subject to the limitations imposed by the Articles of Incorporation of the Company with regard to ownership of shares which constitute in the aggregate more than three percent (3%) of the outstanding shares, each share is entitled to one vote. A Shareholder may cast any Meeting of Shareholders by proxy.

By Order of the Board of Directors
October 5, 1998

Fidelity Investments

صلى الله عليه وسلم

ENGINEERING/TELECOMMUNICATIONS SWITCH FROM TRADITIONAL ACTIVITIES SETS COURSE FOR 15% RETURN ON ASSETS BY 2000

Strong telecoms lift Mannesmann 50%

By Tony Barber in Frankfurt

Mannesmann, the German telecommunications and engineering group, yesterday predicted strong net profits for 1998 after reporting a 50 per cent increase in earnings on ordinary activities to €1.3bn (£520m).

Giving preliminary figures for last year, the Düsseldorf-based company said its telecommunications business was once again the largest contributor to earnings. These operations generated about

three-quarters of Mannesmann's profit in 1997 and accounted for most of its growth.

Mannesmann has successfully switched from its traditional steel and engineering industries to telecoms in the past three years, divesting almost 40 businesses and moving aggressively into Germany's deregulated telephone market.

The company's goal is to achieve a return on assets of 15 per cent by 2000, although some individual units – such

as the Arco telecoms business – are aiming for as high as 30 per cent.

According to Mannesmann, the group's overall return on assets has risen steadily in recent years, from 8 per cent in 1996 and 10.3 per cent in 1997 to more than 13 per cent last year.

Mannesmann's evolution from heavy industry to advanced technology parallels the path taken by other German companies such as Preussag, the former steel and coal group which now

concentrates on tourism and services.

D3, Mannesmann's mobile phone network, in which AirTouch of the US has a 35 per cent stake, has proved especially strong and now has 6m subscribers. AirTouch is the subject of rival takeover offers from Bell Atlantic and the Vodafone of the UK.

Vodafone has a stake in E-Plus, a smaller German rival to D3, and some analysts believe it would give up its holding if its bid for Air-

Touch were successful. This in turn could strengthen Mannesmann's market position, the analysts said.

Mannesmann, one of the Frankfurt stock market's top performers last year, said its mobile, fixed-line and other telecoms operations were largely responsible for a 14 per cent rise in sales to about €19bn.

The company said it would give details of its 1998 performance, including the proposed dividend, next month. ● Deutsche Telekom.

Europe's largest telecoms group, yesterday said the number of clients using its D1 mobile service rose 67 per cent last year, to almost 6.5m. Writes Ralph Atkins in Bonn.

The rise reflected strong growth in the German mobile market, encouraged by sweeping price cuts, although D1 still lags behind Mannesmann's D3 network.

Separately, E-Plus said yesterday it would cut prices by up to 72 per cent, starting next month.

Gucci revenues climb strongly

By Alice Rowan in London and Sander Iskander in Paris

Gucci, the Italian fashion group, ended a week of intense bid speculation yesterday by announcing a healthy 23 per cent increase in revenues during November and December against the same period of the previous year.

The bid rumours started on Wednesday when LVMH, the French luxury goods group controlled by Bernard Arnault, disclosed that it had secretly acquired more than 5 per cent of Gucci's shares. LVMH was expected to make a statement declaring its intentions towards Gucci yesterday, but delayed doing so until next week.

Gucci's shares rose by €3.5 to €61.0 in Amsterdam yesterday after the bullish trading statement. Yesterday's increase means that the shares, worth €46.4 before LVMH's surprise announcement on Wednesday, have risen by more than 31 per cent in three days, valuing Gucci at €3.74bn (\$4.6bn). However, analysts say Mr Arnault might have to offer up to €65n to win full control.

Mr Arnault, known for his wily approach to acquisitions, may prefer to influ-

ence Gucci's strategy as a significant minority investor. If so, he might seek to buy the 9.5 per cent of Gucci bought last summer by Prada, a rival Italian fashion house.

Prada had nursed a loss on the investment, for which it paid \$240m, when Gucci's shares weakened as the luxury market deteriorated. After LVMH's intervention, Prada's holding is now valued at more than \$400m.

LVMH's shares have also been buoyed by hopes of a Gucci bid. They gained €7.0 in Paris yesterday to close at €212, having opened at €187 on Wednesday.

Regardless of whether LVMH makes a bid, Gucci's prospects look brighter after yesterday's trading statement. Domenico De Sole, president, said the group had made "solid gains" in the US and Japan, and was "beginning to see signs of recovery" in Hong Kong and Hawaii, both badly affected by Asia's economic crisis.

Revenues in November and December rose to \$200.2m, compared with \$182.8m in the year-ago period. Gucci now expects to report net income of at least \$3 a share on a diluted basis for the full year to January 31, according to Mr De Sole.

Share strength sidelines creativity at AT&T

By Richard Waters in New York

John Malone, the great financial engineer of the US cable television industry, appears to have changed his spots.

As the boss of TCI, the second-biggest US cable company, Mr Malone has acquired a deserved reputation for financial wheeling and dealing. The astute structure of his debt-laden enterprises, and his shuffling of assets between them, has bedevilled even sophisticated investors.

It came as no surprise, therefore, when some of that financial creativity rubbed off on to AT&T, the telecommunications group which agreed last June to pay \$36bn for Mr Malone's company.

The merger was to be followed by the creation of different classes of AT&T stock, the two companies said at the time. That was supposed to make it easier for the stock market to value the new group's operations separately – and allow Mr Malone himself, and other investors, to hold shares that had more in common with the old TCI stock than with AT&T.

Yesterday, to the surprise of Wall Street, Mr Malone dropped that plan. According to people close to the company, the financial engi-

neering would have got in the way of the monumental job AT&T faces of combining the assorted acquisitions and joint ventures it has announced over the past year.

Besides TCI, this has included buying Teleport, a local carrier, Vanguard, a cellular company, and a communications network owned by IBM, while also setting up a global joint venture with British Telecom, and yesterday, a series of partnerships with

The financial engineering would have got in the way of the monumental job AT&T faces of combining its assorted acquisitions and joint ventures'

smaller cable operators.

The change of plan did not mean that integrating AT&T's telecoms operations with TCI's cable networks was proving more difficult than expected, one person close to AT&T said. But all the management headaches that would have been caused by separate classes of stock – from issues of board control and governance to questions of how to put a price on transactions between different parts of the new group – could have got in the way, this person added.

Perhaps equally importantly, Mr Malone's own performance since June has reduced the need for financial creativity. Even Mr Malone, it seems, is now happy to hold a unified AT&T stock.

The rapid series of deals hatched by Michael Armstrong, AT&T chairman, together with aggressive cost-cutting, has cleared much of Wall Street's scepticism about his company's prospects. So far, most of the

benefits have been on the cost side: AT&T said yesterday that it had cut its selling, general and administrative – or overhead – costs to 26 per cent of revenues last year, from 30 per cent the year before.

Revenues, however, only grew by 3 per cent, well below the industry average.

AT&T's share price is also likely to have benefited from the merger talk this year involving AirTouch, the wireless carrier. That has prompted analysts in the US and Europe to put a higher

valuation on other wireless networks – and AT&T, through its 1998 acquisition of McCaw Cellular, remains the biggest carrier in this fast-growing market in the US.

To help offset any disappointment from its change of tack yesterday, AT&T announced plans to buy back \$4bn of its shares and carry out a 3-for-2 stock split – traditionally a way in which US companies have expressed strong confidence in their future share prices.

The company also left open the possibility of returning to the plan for a tracker stock later, if the stock price fails to reflect the value that the company's executives believe the different parts of its business should attract.

Also, while dropping its plans for a separate stock to track its cable networks, AT&T said it would press ahead with a tracking stock for Liberty Media, the programming arm of TCI that will be run independently after the acquisition.

While declaring himself "personally extremely pleased" with AT&T's change of plan yesterday, Mr Malone will no doubt be keeping a close eye on the performance of his new AT&T shares – just in case a bit of financial tinkering is ever needed.



John Malone: 'personally extremely pleased' with change of plan AP

Seagram job cuts

By Alice Rowan

Seagram, the Canadian entertainment group, is expected next week to finalise plans to merge its Universal Music operations in Europe, Asia and Latin America with those of PolyGram, the Dutch music group it has acquired for \$1.1bn.

The merger is likely to result in the loss of 3,000 jobs from Universal and PolyGram's combined worldwide workforce of 15,500, and to secure annual savings of \$800m.

Some 2,000 of the job losses will be in North America, where Seagram has already unveiled proposals to restructure its music operations.

Next week Seagram is to specify the new operating structure for all other regions, which is intended to attain annual cost savings of roughly \$170m by shedding some 1,000 employees.

Senior executives from Universal Music's subsidiaries outside North America will meet Edgar Bronfman Jr., Seagram's president, in Los Angeles to discuss the new structure for their regions.

FT/SP ACTUARIES WORLD INDICES

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NATIONAL AND INTERNATIONAL MARKET FIGURES IN PERCENTAGE

Figures in parentheses show number of lines of stock

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Weekend January 9/January 10 1999

BUILDING HOMES
OF INDIVIDUALITY
FROM SCOTLAND TO
THE SOUTH COAST

Munich Re transfers \$36bn shareholdings

Assets in other companies diverted into separate units

By Anthony Barber in Frankfurt

Munich Re, the world's largest reinsurance group, has transferred DM60bn (£31.6bn, \$36bn) of shareholdings in other companies into separate units in what it describes as a drive to increase its flexibility in portfolio management and acquisitions.

The action, which Munich Re said yesterday was not prompted by any firm plans to sell the stakes or acquire new ones in other companies, mirrors steps taken by Deutsche Bank and Dresdner Bank.

Like Munich Re, Deutsche Bank and Dresdner have held large stakes in some of Germany's leading companies since the nation's re-emergence as an industrial power after the second world war.

Munich Re said the shareholdings it had transferred included its 25 per cent stake in Allianz, Europe's largest insurer, which itself has substantial holdings in leading

German companies. Munich Re's stake in Allianz was worth DM30bn as of last June.

Munich Re revealed in 1996 that its holdings also included small stakes in such German companies as the industrial group Siemens, the chemicals group Bayer and Hoechst, and the Bavarian bank Vereinsbank (now HypoVereinsbank) as well as Deutsche Bank.

Germany offers many examples of large companies owning stakes in each other and having representatives on each other's boards. Traditionalists defend the practice as a way of protecting companies from unwanted takeovers and say it has enabled them to plan long-term strategies.

Deutsche Bank became the first large group to signal a fresh approach when it said last month that it was moving its non-bank holdings into a separate operation. It made the announcement days after agreeing to the \$10.1bn takeover of Bankers Trust, the

eight largest US bank. Dresdner said last Tuesday it had transferred DM25bn of its non-bank shareholdings before the end of last year.

Analysts said one motive behind the actions of Deutsche, Dresdner and Munich Re appeared to be a calculation that such moves could help limit tax liabilities under the new tax regime of Germany's centre-left government. However, the groups are keen to portray themselves as more transparent in their activities, alert to shareholders' interests and dedicated to professional management of assets.

Munich Re, preparing for a possible listing on the New York stock exchange, last year published its hidden reserves for the first time. It ended the distinction between its registered shares and bearer shares, and allowed bearer shares to be converted to registered shares - aimed at increasing trading liquidity and transparency.

Mitsukoshi to sell its stake in Tiffany

By Alexandra Nolasca in Tokyo

Mitsukoshi, the troubled Japanese department store, is selling its stake in Tiffany & Co, the upmarket jeweller, it said yesterday.

The move represents yet another retreat by Japanese companies that bought trophy assets in the US during the "bubble" period of the late 1980s and early 1990s. Mitsukoshi acquired a 10 per cent stake in Tiffany from GE Capital in 1991.

The Japanese group, which is now Tiffany's largest shareholder with a 13 per cent stake, said it would dispose of its holding in a public offering by the end of next month. It would sell at least 3.88m shares, and possibly a further 350,000 in case of heavy demand. At Thursday's closing price of \$57.19, the 4.27m shares would fetch about \$247m.

Proceeds will be used for general corporate purposes, store renovation and expansion.

The 325-year-old company faces financial and structural problems. Its net debt to equity ratio is 10 times, compared with an average of 1.5 times for other Japanese department stores, according to Byron Gill, analyst at Salomon Smith Barney. In addition, the equity base is expected to fall from ¥75.1bn (\$647.6m) to ¥38.5bn on a consolidated basis this year because of extraordinary losses relating to a write-down on the value of golf course properties bought during the "bubble" period.

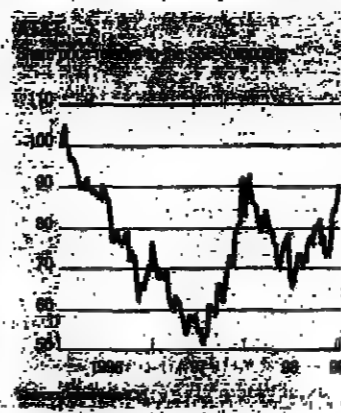
Worse, Mitsukoshi's underlying businesses are performing poorly. The company's flagship store is in Tokyo's Nishi-Shinjuku district, an area that is becoming increasingly unattractive among shoppers.

Other Tokyo department stores are also suffering. The six biggest stores' collective pre-tax profits excluding exceptional costs fell more than 8.5 per cent in the year ending March 1998, according to Keiichi Nakabayashi, analyst at Warburg Dillon Read.

This compares with a 22.7 per cent drop in the previous year. However, analysts will probably revise their estimates downwards because of worries about expected December sales.

THE LEX COLUMN

Back-tracking



AT&T's decision not to establish a so-called tracking stock is a victory of common sense over financial engineering. In the wake of its \$36bn acquisition of cable group TCI, the tracking stock was intended to help investors by in effect splitting the telecommunications giant into a fast-growing but highly indebted residential company (including TCI) and a safer but duller business and infrastructure side. Since the first would be measured on cash flow and the second on earnings, the tracking stock was supposed to make sure hidden value did not remain locked up.

In fact, this turned out to be an imaginary problem. AT&T's stock has gained 40 per cent since the TCI purchase was announced in June. Perhaps the management underestimated its analysts and investors? They have obviously had no problem in looking at different businesses differently and coming up with a sum-of-the-parts valuation. The scramble over AirTouch, for example, has highlighted the value of AT&T's wireless operations.

The management has helped, by furnishing more information about the various businesses and yesterday by announcing a \$4bn share buyback to offset earnings dilution from buying TCI. As its pay-off, it no longer has to worry about the ownership, corporate governance and transfer pricing issues a tracker would have raised. As a result, it can concentrate on integrating a string of recent acquisitions. That should make it easier to reap cost savings and, eventually, to offer customers the holy grail of bundled services.

BTR/Siebe

Three romantic BTR shareholders who were hoping that a mysterious savior would appear in time to save the engineer from a less-than-perfect marriage to Siebe look likely to be disappointed. The US and European controls and automation groups once tipped as potential counter-bidders have had almost three weeks to consider the merger documents, but have shown no sign of interest.

Shareholders in both companies must now lodge their proxy votes by Monday, in time for Wednesday's meetings. Philips & Drew has accepted Siebe's offer for BTR, one of the biggest and longest-running disappointments in its portfolio, and other BTR shareholders should follow suit. No-one would claim that Siebe is paying a generous price, but

then no rival has been prepared to pay any premium for the group. BTR's shares are now 25 per cent above their, albeit dismal, pre-bid level, and investors know that they would quickly sink back were the merger to fail.

Siebe's investors have been given little choice but to accept. The deal has shown up the threat to Siebe's organic growth, but turning it down would not solve that problem. Siebe's efforts to sell the deal to an underwhelmed investor base have been low-key, but few shareholders will risk undermining management by voting down this plan. Siebe's shares have risen just 6 per cent since the deal, missing out on the market's rally. Although investors look likely to wave the merger through, they can be forgiven for doing so through gritted teeth.

RMC

It was not just communism that ended up under the rubble of the Berlin Wall. A decade on and RMC's German business, some 30 per cent of group sales, is a mess - more building site than building materials. The German construction boom, fuelled by tax breaks to smooth unification, was due a bust. RMC now knows about the pain of getting the cycle wrong: a like-for-like fall-off in concrete and aggregate volumes of 20 per cent in the second half of the year. Brave souls are predicting stagnation in 1999, but it could well take longer.

Turn it will, and as RMC points out, the German construction market is vast. But it is also mature, estimated at some 10 per cent of gross domestic product. Germany may simply not be where RMC's growth prospects lie. For the next few years, the US - or perhaps Asia

would be a better bet. With interest cover at over seven times, RMC has scope for acquisitions. But does it have the culture? It may, in any case, have missed the boat in the US, where a big infrastructure spending programme has pushed up asset prices.

Clearly, this is not a company in distress: its returns on capital are decent. It is well regarded for its cost control and cash generation. But a merger with a company that shows greater flair, such as CRH or Aggregate Industries, would really make it exciting. The rub for investors is that it is hard to see the management willing to consider such a move. The shares, on a forecast of between 10 and 11, are cheap. This does not make... inviting.

Regional brewers

Anyone who mis-spent his or her youth playing video games in Marston, Thompson & Eversheds' pubs should be delighted by the UK regional brewer's revival of the "Pac-man" defence. The tactic of turning around and gobbling the monster chasing you was a briefly popular, if rarely successful, corporate finance play in the 1980s.

Marston's audacious plan, which has Bass's backing and the likely support of Somers, cannot be dismissed. Its offer has a slight edge over its rival's bid. But if Wolverhampton & Dudley Breweries can find more cost savings than its original £12m (\$30m) and add at least 5 per cent to its terms, shareholders would be faced with a straight choice between two managements with different strategies. On the one hand, Marston sensibly wants to cut brewing capacity. On the other, Wolves has the better reputation for running pub estates.

The snag with the Pac-man defence is its impact on the companies' valuations. Marston's ability to launch this bid owes much to the boost given to its own shares by Wolves' interest. Its offer now puts a takeover premium into the Wolves share price, which in turn inflates the value of Wolves' bid for Marston. Whichever company wins will have its work cut out to support such valuations once the deal is completed. Unless shareholders in either company feel passionately about the relative merits of one or other strategy, they would do best to sell in the market before the "game over" sign flashes up.

AT&T drops plans for tracker stock in TCI deal

By Richard Waters in New York

AT&T yesterday surprised Wall Street with a fundamental shift in the structure of its planned \$36bn (£30.8bn) purchase of TCI, a deal intended to provide the springboard for its attack on local telephone networks across the US.

The US telecommunications group revealed that it had dropped plans to create a separate class of stock after the deal that would have mirrored the performance of all of its consumer operations, including TCI's cable television network and its own residential telephone services.

That plan, hatched last June, was seen as a key part of AT&T's efforts to win the stock market's backing for the acquisition. The separate class of "tracker" stock, with more debt, lower earnings and faster growth than the group's core business, would have attracted a different type of shareholder, potentially giving AT&T over-

all a higher stock market value.

Yesterday, however, AT&T indicated that the complicated financial structure could have obstructed its efforts to merge its operations with those of TCI. The company has also been distracted by other deals, ranging from the acquisition of International Business Machines' communications network to a global joint venture with British Telecommunications.

"Our first and foremost mission is to integrate all these businesses into a seamless organisation," AT&T said. Meanwhile, the need for a separate class of stock has been reduced by a sharp rise in AT&T's shares since the merger was announced. The stock rose another 83% to \$56.41 in morning trading yesterday, compared with \$30 when news of the TCI acquisition broke.

The rally has removed the company's fears that Wall Street would fail to value its

various operations fully. That contrasts with moves by other US telecoms companies, including Sprint, to set up tracker stocks to reflect their newer, faster-growing operations.

The decision to drop the tracking stock was supported by John Malone, the TCI chairman, and Leo Hindery, the company's president, AT&T said. As large shareholders, both men had been expected to opt for the new tracker stock, rather than AT&T's core shares, after a merger. Mr Malone, along with his wife, owns TCI stock that would be converted into \$2.2m of AT&T shares, based on yesterday's share price.

AT&T said it still planned to issue a separate tracker stock for Liberty Media, the TCI programming unit that will not be combined with its other operations.

Continuity sidelined, Page 23
See Lex

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Markets Latest

FTSE 100	5,147.2	▲0.8
FTSE 250	3,147.2	▲0.8
FTSE Europe 300	2,784.8	▲0.7
FTSE All-Share	2,784.8	▲0.7
Nikkei	10,381.91	▲0.7
New York S&P 500	2,674.84	▲0.8
S & P Composite	1,265.98	▲0.8
■ EUROPEAN MONEY		
3-mo London Bill	5 1/2	1/8
6-mo London Bill	5 1/2	1/8
■ US LUNCHTIME RATES		
Federal Funds	4 1/2	1/8
90-day T-Bills	4 1/2	1/8
Long Bond	7 1/2	1/8
Yield	5.35%	
■ NORTH SEA Oil (August)		
Bank Deal	91.78	
■ GOLD		
New York Comex Feb	\$329.0	

FT WEEKEND

JANUARY 9 / JANUARY 10 1999



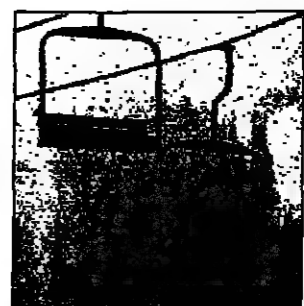
End Game

'The greatest variety of threats to human survival stems from our own technological prowess, and love of war'



Robber baron's gift

'Why did a man who spent his life ignoring public opinion leave his precious collection to the nation?'



Good grooming

'Artificial snow and sunshine cheered up skiers - many of whom seem content to ski Beaver Creek and Vail'

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Page XV

A watery grave for the truth

Nicholas Faith asks whether all the facts about the sinking of the Estonia will ever be known

Death was actually a very nice place to be, a warm place, a lovely escape from the hell that was living at the time.

That's how drifting in a water-logged life raft in the middle of the Baltic in late September 1994, surrounded by dead or dying fellow-passengers from the doomed ferry Estonia, struck Paul Barney, a young English landscape gardener.

Barney was one of the 137 survivors from the 989 aboard. The casualty list - over four times greater than the Herald of Free Enterprise disaster in 1987 - made it by far the worst peacetime tragedy to strike a European ship since the Titanic 82 years earlier, and the biggest disaster involving Swedish citizens for more than a century.

Over the past 50 years there have been many disasters involving ro-ro (roll-on, roll-off) ferries. In February 1953, the Princess Victoria, a British ferry, went down in a gale off the coast of Northern Ireland, drowning 139 of the 182 on board. The cause, the failure of the car deck's bow door, was the same as that in many later disasters.

And outside Europe there have been many worse tragedies, most notably in the Philippines, an archipelago of 7,000 islands which depend for transport on usually badly maintained, almost invariably overcrowded ferries.

The worst recorded there was the Dona Paz, which sank in April 1986. The official death toll of 4,375 was a considerable understatement, since the ferry almost certainly carried up to 800 unrecorded passengers.

But, especially since the rules were tightened after the Herald of Free Enterprise disaster, somehow no one expects tragedies such as the Estonia to happen in Europe, particularly because it was sailing to a port in Sweden, supposedly the most safety-conscious of countries.

Yet, in this instance, the Swedish authorities, together with the Finns and Estonians who were also involved in the decision, are seeking to cover the wreck of the Estonia with a cement overcoat, saying that it would not be seemly to disturb the bodies of the victims still on board.

Although the survivors have raised enough concerns to lead to a delay in the (literal) cover-up, rocks and pebbles have already been

dumped round the wreck as preparation for the cement.

If they are indeed followed by cement, as the authorities propose, this would leave unanswered for ever the vital question posed in a television documentary, directed by Jonathan Jones and Phillip Wearne, to be screened on Monday on Channel 4, and in a book: did the Estonia sink as a result of a design flaw, as an official report stated, or, as seems equally plausible, as a result of weaknesses in maintenance, inspection and certification procedures, as indicated by two subsequent reports?

The Estonia was no ordinary ro-ro ferry but a symbol of the freedom of the newly independent Baltic States and the flagship of the new Estonian merchant marine.

It was therefore a politically sensitive vessel. Sweden and Estonia both became anxious to prevent blame for the tragedy falling on the fledgling Estonian government and to prevent a searchlight being thrown on the inspection and regulation procedures of any of the ferries operating under any flag in the Baltic.

The shock of the sinking appears to have taken the Swedish government by surprise, perhaps even causing an element of panic. This is the atmosphere in which the official inquiry was held.

The Estonia's regular route between Tallinn, the capital of Estonia, and Stockholm provided the most direct maritime route from the former Soviet Union to the west - and thus attracted a wide mix of passengers, including, it was thought, not a few drug-runners and illegal immigrants.

Inevitably, its loss sparked off some extraordinary rumours: that military-quality cobalt from the former Soviet Union was being carried on a couple of closely guarded trucks on board; or that the Russian Mafia had planted a bomb on board to warn the owners to pay protection money - but that the Mafia did not realise the ship was in such an appalling condition that the warning became a deadly weapon.

The ship sank in the early hours of September 27, only a few minutes after distress messages had caused rescue attempts to be launched from several Baltic ports.

Unfortunately, no one on the bridge survived, which provided further grist to the rumour mill.

The official report by the Swedish, Estonian and Finnish governments blamed the

design of the ferry, in particular the ramp in front of the car deck and the visor which covered it.

The 55-ton visor, which bore the brunt of the force of the waves, was hinged at the top, and secured by hydraulic and manual locks on both sides with another - the "Atlantic lock" - on the centre line at the bottom. The report, published in December 1997, said the design of the visor meant that in waves as high as those encountered by the Estonia, it was certain to come loose.

Not surprisingly, Meyer Werft, the highly respected German company which built the Estonia, objected and set up its own independent commission of inquiry, the findings of which were published last year. Its conclusions were later largely validated by another investigation carried out by the International Transport Federation, which represents seamen worldwide.

The first objection raised by the two unofficial inquiries was to the membership of the official inquiry, which included the chairman of the company which owned the Estonia, as well as the official responsible for the safety of Estonian ships; these two Estonians were, in effect, investigating themselves.

Next, the later inquiries

There had been at least 10 other problems with broken locks or visors on Baltic ferries

found that the weather was not by any means as exceptional as the official inquiry had made out. They then noted the absence of collision bulkheads between the bow and car deck, which are meant to absorb the first impact of any collision. This resulted in the ramp being too close to the bow and lacking proper protection.

There were no collision bulkheads because the Estonia was not originally licensed to sail in open waters - only within 20 miles of the coast. But after it was transferred from Swedish to Estonian jurisdiction in 1992, in a gesture by the Swedes towards the

newly independent Baltic state, the Estonian authorities extended its licence to allow it to sail more than 20 miles from land.

Bureau Veritas, the French "classification society", responsible for certifying that the ship was safe, was either not told of the licence change, or, if it was told, let the change go through. It is unclear which, because of the society's role in acting for both the Estonian regulator and the Estonian owner of the vessel.

There had been at least 10 other cases of problems with broken locks or visors on Baltic ferries. Luckily, in all earlier cases, the crews had been able to reach port before any serious damage was done. An inspection of the Estonia's sister ship, the Diana 4, had revealed well before the disaster that it too had suffered from a failure of the lockings on one side - but no repairs were made because the Diana 2 was old.

But the biggest shock was the state of the Estonia's visor. In an article published in the Naval Architect magazine in April 1998, Nigel Ling, a maritime expert, reported that the bottom of the visor "is corroded - with 'tide marks' showing that the water had repeatedly got into the space between the ramp and the visor."

"There were witnesses prepared to testify that 'when the ship was entering sheltered waters', on other trips, 'water could be seen streaming out of the visor joint' - a point confirmed by the ship's inspector."

The German inquiry found the hinges were weak and

the Atlantic lock could no longer be operated hydraulically but had to be hammered open and shut. Ling wrote that one Swedish seaman "had carried out repairs to the Atlantic lock in a manner that can perhaps best be described as imaginative".

Yet the official inquiry allowed the Atlantic lock, an obviously vital clue to the cause of the catastrophe, to be thrown back into the sea after it had been recovered because, it claimed, it was too heavy to be transported by helicopter.

The German inquiry concluded that the ship was not only being sailed in seas far rougher than the relatively calm waters for which it had been designed, but that it had been appallingly badly maintained. The crew had complained on numerous occasions, and when the ship was docked for its annual inspection in 1998 had asked for the locks on both ramp and visor to be reinforced - items included in the original estimate for repair work but struck out later.

As Captain Werner Hummel, a senior German investigator, put it: "The whole bow ramp was severely misaligned so it did not close... and the misalignment was so extensive that the locking bolts didn't fit any more at the port side, only at the starboard side."

The "German theory" is that the ship suffered a so-called unexplained shock on the starboard side which allowed water into its lower part, below the car deck; this led to a list from which it soon recovered. However, the the-

ory is that this shock caused the bow door and visor to come loose and fall off some minutes later, at which point there was flooding of the car deck and almost immediate sinking.

This theory would explain the gap of half an hour between the initial impact and the sinking, as well as the fact that the visor was not found where it would have been had it dropped off some time before the ship sank, as the official inquiry had claimed.

The Estonia now lies in relatively shallow water and could easily be raised and inspected to find out where the damage really did start.

Yet the governments involved want to transform the Estonia into an underwater sarcophagus. This idea was not raised until after the inquiry had been under way for some time, which perhaps suggests that the investigation was uncovering potentially damaging aspects of the story.

What is certain is that the evidence is sketchy. Even a video recording of the starboard side of the ship, which could have shown whether the German theory was correct, was inexplicably lost.

If the authorities do concede over the wreck, it could smother one of the greatest incentives to examine and, if required, overhaul maintenance and inspection regimes which could be allowing other ferries in a similar condition to the Estonia to continue to ply routes in the Baltic.

Nevertheless, the Swedes seem set on a course of

declaring the wreck "a national grave which must not be disturbed". If they succeed, the grave will house not only the bodies of the victims but also the country's reputation as a

paragon of scrupulous attention to public safety. *Mayday: Lost at Sea, Channel 4 January 11, 9pm. **Mayday, The Perils of the Waves, by Nicholas Faith, Channel 4 Books, £16.99.



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Ethics Today

Fat new friends

'The sensible rule is that good government properly distances itself from all interest groups'

Page III

NEXT WEEK

Pack your bags

A world of choice: plan an escape with the help of our 12-page focus on travel

With FT Weekend

PERSPECTIVES

The Nature of Things

A mysterious repulsion is blowing us all apart

Clive Cookson reports on a sensational development in cosmology

Albert Einstein proposed in 1917 that a repulsive force pervaded empty space and prevented the universe collapsing under its own gravity. After astronomers discovered in the late 1920s that the whole universe was expanding, Einstein renounced his idea as "the biggest blunder of my life". Now, 70 years later, it is beginning to look as though he was right in the first place.

The standard view of cosmology for several decades has been that the universe started life in the Big Bang about 15bn years ago and that gravity has been acting ever since then to reduce the rate at which it is flying apart. The biggest argument has been about whether there is enough matter eventually to pull everything back together in a Big Crunch or whether the universe will expand for ever.

Over the past year, however, evidence has accumulated to show that, far from the expansion slowing down, a mysterious repulsive force is over-riding the

braking effect of gravity and pushing the universe apart at an ever increasing rate. If this is confirmed, it will be the most sensational development in cosmology for many years.

The evidence comes from two groups of astronomers who observe supernovae - violent stellar explosions - in distant galaxies. These turn out to be about 15 per cent farther away than they would be if the expansion were driven merely by the original impetus of the Big Bang.

The astronomers looked at a particular type of supernova which is believed always to have the same intrinsic brightness. It can therefore act as a "standard candle" whose apparent brightness as observed from Earth reflects its distance.

Although the required Type Ia supernovae are rare (only two or three explode per millennium in a typical galaxy), the astronomers managed to identify and analyse several dozen of them, through electronic searching techniques.

By comparing the distance of the supernovae with their "red-shifts" - the speed at which they are moving away from us - it is possible to calculate how fast the universe was expanding at different points in the past. The results consistently show acceleration.

"What we have found is that a 'dark force' permeates the universe and has overcome the force of gravity," says Nicholas Suntzeff of the Cerro Tololo observatory in Chile. "This is so strange and unexpected that it perhaps is only believable because two independent international groups have found the same effect in their data."

Astronomers are looking hard for flaws in the research. "We want to be sure we aren't being fooled by interstellar dust dimming the supernovae or stellar explosions that are somehow weaker in the distant past," says Richard McMahon of Cambridge University's Institute of Astronomy. "So far we haven't found anything to shake our confidence

but this is such an unexpected discovery that we'll keep looking for any loopholes."

Meanwhile theoretical physicists are trying to come up with an explanation for the cosmic repulsion. Einstein called it the cosmological constant, designated by the Greek symbol lambda, but to him it was just a mathematical "fudge factor" to make his relativity equations work.

One way of looking at lambda is as a huge reservoir of energy somehow locked up within "empty" space, which counteracts gravity on cosmic scales and pushes matter apart.

Because mass and energy can in principle be converted into one another, it is possible to compare the contribution of lambda to the energy balance of the universe with the amount crystallised out as matter (galaxies, stars, planets, quasars, interstellar dust and so on). A provisional estimate, on the basis of the supernovae research, suggests that matter accounts for only 30 per cent of



Supernova 1998bu, a violent stellar explosion on the edge of a spiral galaxy, observed from Chile

mass/energy, with lambda accounting for 70 per cent.

For the past few years, astronomers have been looking for the universe's "missing mass" or "dark matter", because what they observe through telescopes and other instruments accounts for only a small fraction of what must actually be present, judging from the motions of galaxies through space. Now they must search for "dark energy" too.

Quantum mechanics provides a possible explanation for it.

According to this theory, space is far from empty even if it contains no conventional matter. On the smallest possible scales of distance and time - a billion billion billion times less than our everyday world - it is seething with "virtual particles" that appear and then vanish again. These could give space the springiness it needs to counter gravity.

But calculations show that quantum theory would provide far more repulsive energy than is observed. So the hunt is

on for any other explanations. Whatever mechanism lies behind Einstein's cosmological constant, its existence would seal the argument about the ultimate fate of the universe. There appears now to be no way in which everything can come back together in a Big Crunch.

Instead it will expand for ever, growing more and more diffuse. The universe a trillion years in the future, after the last stars have died, will be utterly cold and empty.

Demand for craftsman-built fishing boats waxes and wanes with the numbers of salmon on the Tay. Peter Rolt reports

At the age of 80, when most other people have thoughts of retirement, John Ferguson is happily building the traditional wooden boats used by salmon fishermen on the River Tay in Perthshire. Like many others, he had to make sacrifices when his children were small and he realised that his sacrifice would have to be boats.

He explains: "In 1960, when I finished my five-year apprenticeship, there were very few steady jobs in boat-building. I couldn't afford the uncertainty. So I took up renovating old houses and joinery work on new ones - along with work on the new motorways. Cutting up shuttling-ply for concrete motorway bridges was a far cry from my first love, which has always been boats."

For most of their married life, Ferguson and his wife have lived in a two-bedroom council house on the outskirts of Perth, Scotland. Twenty years ago, when his daughters had left home, he decided to risk taking up the craft for which he had trained in his teens.

In 1979, he rented a large building on an old pig farm at Stanley, about five miles away on the banks of the Tay, to begin his own boat-building and repair business. He still pays less than £100 a month for it. "I had to have somewhere cheap - I certainly couldn't afford Perth prices," he looked for no set-up grant, or even advice,



John Ferguson: 'I must be doing myself out of a job because cobbles are only expected to last about 10 years'

but used all his savings to get started.

"While I was working as a carpenter I was paying into a Save As You Earn scheme, which meant I had £2,000 to spend on second-hand machinery, such as a planer/thicknesser, a circular saw and a hand saw."

"I started off building lock-fishing boats and sailing dinghies but Stanley is right in the middle of the Tay fishing area so I soon found myself being asked to

repair the boats used for rod and line salmon fishing."

The owners of fishing rights - private companies and hotels as well as estates, large and small - employ gillie/boatmen who take fishermen and women out on their stretch of the river in boats which have evolved specifically for this purpose.

Known as "cobbles", these boats would once have been used by the laird and his guests on just a few days every year, but now visitors

come from the world over and the boats are in constant use six days a week through the season - January 15 to October 15.

Soon repair work overtook lock boat building so he took measurements from an old cobble lying on the river bank and began to build one from scratch. The Taymouth Estate, whose own boat-builder was about to retire, asked Ferguson to build a sarked cobble. Orders followed from that and other

estates. The business built up gradually to a peak in 1995, when he was working seven days a week with a turnover of £26,000.

Since then, however, orders have tailed off. Although the Tay is still one of the most prestigious salmon fishing rivers in Scotland, there has been a worrying decline in numbers of salmon. Net fishing on the Firth of Tay has been banned and proposals have been made for a curb on all

salmon fishing to help stocks regenerate. If the stocks continue to decline, a whole network of people will suffer - owners of fishing rights, hoteliers and their staff and the gillie/boatmen. John Ferguson is among the hundreds who are anxiously watching developments.

"I regularly take my boats to game fairs and boat festivals where they attract a lot of interest but not enough orders," he says. "Tay cobbles are tradition-

ally built of larch planks on oak frames; their most distinctive feature is that they are built without a keel which would snag in shallow parts of the fast-flowing river. They are left long and with a draught of only 6in to 8in, highly manoeuvrable even with three people in them."

"I have never felt any competition about altering a boat to the requirements of the boatman, who tell me that each has its own char-

acter and none is identical to any other," says Ferguson. "I reckon there must be about 80 of my boats on the river at the moment. For 20 years I've been gradually replacing boats built by other people and I haven't yet had to replace any of my own. I must be doing myself out of a job because cobbles were only expected to last about 10 years."

He is well aware that he undercharges. He started off by asking just under £1,000, but now the price has reached £3,200.

"For the bottom plank you need a fairly straight tree but as you come further up you need a good swing on the tree. It wasn't so easy to get in a stock of trees shaped like bananas."

Having seen wind-blown oak and larch often left to lie where they fell, in 1982 Ferguson invested £2,000 in a chainmill saw and began buying whole trees from the estates. He could then select them, slice them into planks and season them himself. In the past three years, he has used 21 tons of larch and has 10 tons of wind-blown oak awaiting his chainsaws outside his workshop.

His boatbuilding business has not made his fortune but he is doing what he wants to do. He is the last professional boatbuilder on the Tay and as long as people want craftsman-built wooden boats - "I've built sailing dinghies, pram dinghies and rowing boats, as well as cobbles" - he will be happy to go on building them.

Ferguson's wife has just retired but he would like to continue working for many years yet. "I have paid into a private pension scheme since I started but it will yield only a meagre amount. With both our pensions we'll be all right," he says.

"The repair work keeps me going and there are always enough inquiries about new builds to keep me optimistic."

John Ferguson, 95 Strathgair Road, Perth, Perthshire PE1 2NA; tel: 01738-626696.

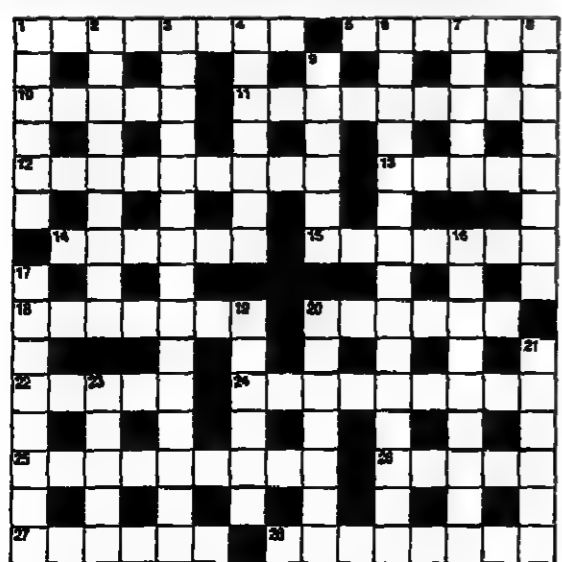
Minding Your Own Business

Going with the flow

CROSSWORD

No. 9,883 Set by CINEPHILE

The prize of a matching set of finely engraved personalised notepaper, envelopes and correspondence cards on Ebru Kid Finch Paper from Crane & Co will be awarded for the first three correct solutions opened. Solutions by Wednesday January 20, marked Crossword 9,883 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 8NL. Solution on Saturday January 23.



Name: _____ Address: _____

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Crane's SINCE 1800

ACROSS

- 1 Troops disposed of - that's on the line (6)
- 3 Friend outside one inside - suitably if not authentic (6)
- 5 Pictorial puzzle concerning transport (3)
- 11 Collier's cry where tennis is played by the pump? (6)
- 13 Eccentric directors without substance (3)
- 14 Shrine to change, we hear (5)
- 15 Fruit tree - it's confused with corn (6)
- 16 Conveyance in which I've been taken off having an object (7)
- 18 First (unless first's second) (7)
- 20 Celts might surround a fortress (6)
- 22 More in context, radically speaking (5)
- 24 Manifestation of headless spectre à la ghost? (3)
- 25 Precursor of marriage in France? (9)
- 26 Clarification? You cannot be serious! (5)

Solution 9,882

DOWN

- 2 Neat with needles (6)
- 3 One little boy in a row gets a rake (9)
- 4 Confering of priesthood in a submarine is defiance of authority (15)
- 6 Don't say it again? (7)
- 8 Want a flower, keeping one to name without criticism (15)
- 7 Note what the smallest pig says? (5)
- 9 Student - say it again - can read (5)
- 10 Believe you've got it coming? (6)
- 12 Musical exercise for one, including odd little figure, for example (9)
- 17 Not having a child, a little boy performed - marvel! (6)
- 19 Mourn a loss in the matter of a tree (6)
- 20 What the chiropodist 'as to do, inversely, about part of the eye? (7)
- 21 Agree where to sit (6)
- 23 Flower border after Tuesday's opening (6)

BRIDGE

As the most important invitation event of the bridge calendar - the Macallan International Pairs - approaches, Zia Mahmood is once again peaking at just the right moment. This time, playing with Howard Weinstein, he scooped the Blue Ribbon Pairs, one of the top events on the US circuit.

The solution to the Christmas Crossword and maze of winners are on Page 100.

CHESS

Many of the UK's best chess players, past and present, have been Oxfordshire graduates, so last month's Oxford International, for which a local patron donated £10,000 prize money, was an important and a welcome venture. Cambridge University stages an open-to-all weekend congress on February 6-7 (details from Sam Esson on 01223-60787).

Julian Hodgson, the England No.9, took first prize on tie-break from Johnny Hector of Sweden, but it was a local pair, who stole the show. Sister and brother Harriet and Adam Hunt, were first and second in the master group.

Harriet, the 1997 world girls' champion, also made virtually sure of her master title at men's level, only the second such achievement by a UK woman. England has few girl players but their results are exceptional, with three Fide world titles in the last 18 months.

The best game at Oxford shows how an offbeat opening with bits can unsettle even a strong grandmaster. White's 2 g3 lures the black queen to an exposed central position which proves more significant than White's inability to castle (M Turner v E Salovskiy).

PAUL MENDELSON

game was unlikely, so he passed and tried for a sneaky penalty.

The defence would have to be accurate - and it was. North led A♠ but, seeing dummy's doubleton spade and two significant trumps, he switched to a trump at trick two to cut out any spades ruff for the declarer. Sitting South, Mahmood found the master play of ducking the trump lead, keeping control of the suit. When declarer led his other spade from dummy, Mahmood hopped up with his K♠ - crashing his partner's ♠♠ - and he then cashed A♠.

North had led 6♠ and had then followed low, the peter indicating three trumps, so Mahmood was able to cash J♠ and lead a fourth round for North to ruff. Together with A♠, North-South collected six tricks and 300 points, giving them a score of 95.5 per cent on the deal. Notice that if South wins the club switch with A♣ and continues trumps, North never recovers his spade ruff. The resulting 100 points for one off would have been worth virtually nothing.

For further details on The Macallan International Pairs, call 0181-878 5844.

LEONARD BARDEN

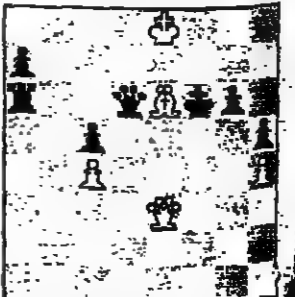
result with best play?

The outcome only needs four moves to demonstrate but requires a very precise choice of moves for both sides.

Solution, Back Page

LEONARD BARDEN

This is a very tricky variation from the game Vladimir Kramnik v Peter Leko, Tilburg 1998. White (to move) is well down on material and threatened with Qe7 mate, but what should be the



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Nobel voice speaks out for the wretched of the earth

José Saramago refuses to allow his powerful moral concerns to be muffled, says Peter Wise.

José Saramago, the Portuguese novelist awarded the 1998 Nobel prize for literature, wants to stop the world for 50 years. At 76, he is not anxious to leave, nor, as an ardent communist, is he averse to progress. He simply suggests a pause so that humanity can try to find a better balance.

"We should be able to find the courage to say that the stage of development we have reached in the west is good enough for now," he said during a recent visit to Lisbon. "Let us devote all our energies for half a century to helping the millions of people who have been left behind to catch up."

Single striking ideas such as this are at the heart of almost all Saramago's works, engaging the reader with powerful moral questions and disquieting ironies. Each of my novels and plays is built around a strong idea. When I start writing, I know exactly where I am going.

Blindness (Harvill Press, £8.95), his latest work to be published in English, is an unsettling allegory in which an inexplicable plague deprives every human, except for one woman, of sight. A blindness to reason, Saramago believes, has produced an absurd world in which the suffering of the poor is ignored by rich nations pursuing ever greater wealth.

"Is it not absurd that the US dispatches a spaceship to bring back rocks from Mars, but sends only three or four helicopters when a natural disaster strikes Central America?" he asks. "Is a world in which fewer than 300 people own as much as the poorest 40 per cent a great achievement?"

The questions that Saramago poses in his writing are equally discomfiting, and some have sought to muffle his disturbing voice. In 1982, an official in the then conservative government of Portugal excluded his novel, *The Gospel According to Jesus Christ*, from consideration for the European Fiction Award. The book, in which a troubled Jesus ques-

tioned offensive to Roman Catholics. In response, Saramago moved to Lanzarote in the Spanish Canary Islands, where he lives "in exile," as he only half-mockingly describes it, with his second wife, Pilar del Rio, a Spanish journalist.

"I left Portugal because an act of censorship was committed against one of my books by specific individuals and a particular government. I did not feel at ease," he says. "But that hasn't affected my relationship with Portugal. This is my country, my language, my history. Wherever I am, Portugal is there with me."

'Let us devote all our energies for half a century to helping the millions who have been left behind'

Saramago's most widely read novel, *Baltasar and Blimunda* (1984), recounts the building of an 18th century convent in Matra, just north of Lisbon. But Saramago has not been afforded the slightest distinction by the municipal council for bringing international attention to the small town.

The book, the conservative mayor said, "in no way dignifies, but on the contrary, belittles Matra in the same way that it belittles the history of our country." Eventually, when Saramago became a Nobel laureate, the Socialist government renamed the local secondary school in his honour.

Saramago's political views do not make him an easy figure for upholders of the status quo to embrace. At the glittering Nobel award ceremony in Stockholm last month, he used his acceptance speech to denounce governments and big business for failing to protect human rights. Multinational companies rule the world, he

told an audience brimming with cabinet ministers and business leaders, and have reduced what remained of the democratic ideal almost to nothing.

Despite differences with the leadership, he has belonged to the hard-line, unreformed Portuguese Communist party since 1969 and remains a committed Marxist.

"In spite of the errors and the crimes committed by communist regimes, I continue to believe deeply in the basic virtues of human solidarity and respect for others. A time will come when people will reconsider the doctrines that have today fallen into disrepute. There will be new interpretations and new experiences. We will have to be careful not to make the same mistakes," he says.

"There will always be people who criticise me for ideological reasons or because they are, let us use the word, envious. But the attacks on me are insignificant compared with the enthusiasm that has greeted the Nobel award. What matters to me are the ordinary people, some of whom can't even read, who come up and say 'Thank you'."

Saramago is himself of humble origins. His family moved from a small village to Lisbon when he was two. He worked as a mechanic, studied at night, and later became a translator and a journalist. Apart from an unsuccessful novel published in his youth, his first work of fiction, *A Manual of Painting and Calligraphy*, was not published until 1977, when he was 54, and earned only minor recognition.

Baltasar and Blimunda, which established his international reputation, came out in 1982. It tells a touching love affair between a disabled ex-soldier and a clairvoyant girl, who can see only in the dark, against the cruelty and greed of church and state. "If I had died when I was 60, I would have written nothing. The young should realise that we old people also have valuable work to contribute."

The practical obligations of the Nobel prize have inter-

rupted Saramago's work on a novel to be called *The Cavern*, partly a modern interpretation of Plato. "I haven't written a line since the award was announced in October." Otherwise the distinction, which brings with it the sum of \$87.8m (£276,000), will not change him a jot, he insists.

However, as the first writer in Portuguese to receive a Nobel prize, he does feel a responsibility to his language and the literature it has produced. "Through me, the eyes of the

world will be drawn to authors writing in Portuguese in Brazil, Mozambique, Angola, Portugal and other countries."

The award is seen as a long overdue recognition of the riches of 20th century writing in Portuguese, the world's seventh most widely spoken language.

Giovanni Pontiero, the late translator of most of Saramago's works into English, has testified to his extreme concern with language.

"Portuguese, like Spanish, tends to be a verbose lan-

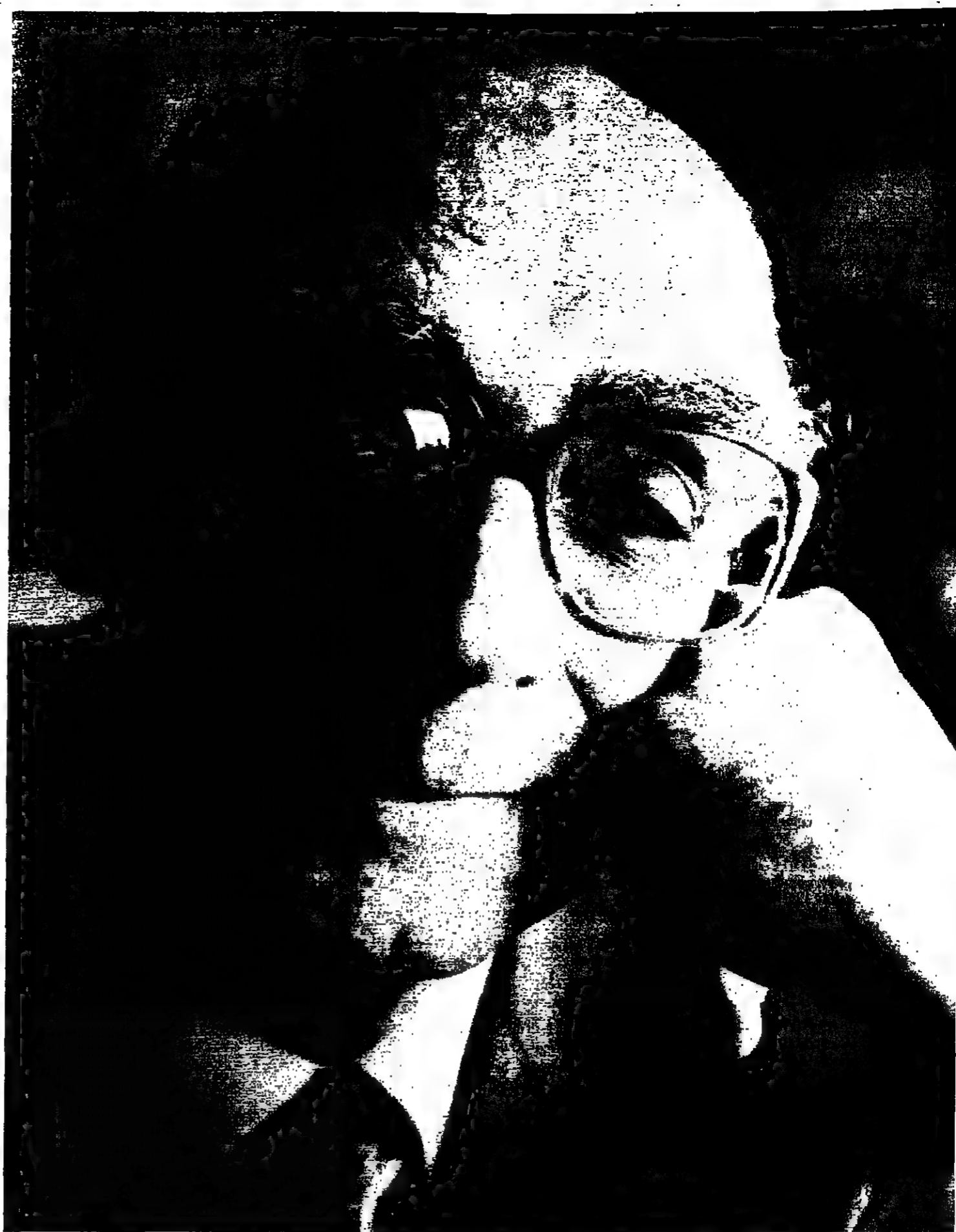
guage, generous and flamboyant, rich in emotions," Pontiero wrote, but sometimes rendered by these characteristics "conceptually woolly and inexact".

Saramago, he said, finds words "exasperatingly perverse" but "shines among a new generation of Portuguese writers who convey unusual insights without any loss of

clarity or precision. "I give the same attention to language as any craftsman gives to his tools," says Saramago. "No one can achieve mastery of all the words that exist. But the more I enrich my vocabulary, the better I can express, with greater precision and greater subtlety, what I have to say."

This has led to a concern

about what effect the impoverishment of language might have on thought and feeling. "In the field of emotions, one of the words least used today, at least in Portugal, is 'love'," he says. "People say 'I like you' or 'I'm fond of you' and the young have their own expressions. But if we lose the words, may we not also lose the feelings and emotions they represent?"



José Saramago: 'Is a world in which fewer than 300 people own as much as the poorest 40 per cent a great achievement?'

Bengt Sarnarud/AP

Ethics Today

Naïve faith in fat new friends

By cosyng up to business, Labour risks a scandal of real substance, says Joe Rogaly



You may not believe this, but certain ministers in Britain's New Labour government are vain, devious, even ambitious. Some of them whisper critical remarks about their colleagues. These noble administrators have aides who support them, occasionally by telling fairy tales about their rivals.

As we know, such reprehensible behaviour is never observed in other countries. French, German, and American politicians all abide scrupulously by the rules of fair play. No thought of seeking advantage over their colleagues ever passes through their pristine minds. There is no scramble up and down the greasy pole in Paris, Bonn, Washington, Rome, Madrid, New Delhi...

Full the other one, you say. Seekers after office are the same everywhere. They lie and cheat when they have to, protest their innocence when found out. Straightening my face, I agree. The midwinter holiday season headlines in the British press tell us merely that Britain's Labour ministers are politicians.

Yet Tony Blair seems worried. He need not bite his

nails for long. Like other meaningless fusses got up by the media on both sides of the Atlantic this one will doubtless be shrugged off by most voters. Their minds are not focused on ordinary political fighting.

There are more serious matters upon which the prime minister might reflect as he returns to his desk this week. The one that holds the greatest potential for further trouble for New Labour is the relationship of his government with business. It is too close. The converts from socialism are displaying a naïve faith in their fat new friends. There have been casualties already. Unless he is careful Mr Blair himself will eventually be hurt.

This is not an anti-capitalist blast. It is simply an affirmation of the sensible rule that good government properly distances itself from all interest groups. This should apply to every polity, including the US and the social democracies of continental Europe.

Admittedly, not every one of them is perfect, but that is beside the point. In Britain the lesson is yet to be learned. A touch of history should do the trick. Like other parties of the left, Labour was once closely entangled with the trade unions. I can remember a time when ministers

in the Wilson and Callaghan governments asked union leaders for their permission before making important decisions.

The result was disaster. Labour lost office in 1979, thrown out for its association with the chaos caused by dependence on the workers' representatives. It did not come back until 1997.

By that time its young new leader had determined to make New Labour a

Companies serve their shareholders, governments serve everybody

party of business, like the Democrats in the US.

Mr Blair was quite right. His party needed repositioning. It could not hope to win if it remained hostile to private enterprise. A dynamic economy could not function well unless the government remained conscious of the need for a business-friendly environment.

This meant keeping taxes low, minimising regulation, and checking off new legislation for its effect on investment and profitability. It also meant the aban-

doning of Old Labour rhetoric - for example, less mauling about the "obscenity" of profits.

So far, so reasonable. New Labour has, however, done more than that. It has fostered public-private partnerships, deals that bring in capital against guaranteed future income streams. Prominent businessmen have been invited to join the government.

Companies have been tapped for sponsorship of favoured projects, such as the millennium dome, that vast, empty marquee dedicated to the servants of Mammon. Meanwhile, ministers stand ready to take calls from business chiefs, as they once did from trade union leaders.

There is nothing wrong with any single item in the above list. Put it all together, however, and you have a minefield. Companies enter into partnerships with the public sector to make money. That is their primary job.

When this spare executive or that chairman serves the administration he or she hopes at the very least to make useful contacts. Sponsors do not sponsor out of the goodness of their hearts. Calls are not made on top officials merely to pass the time of day.

It is plain that the chances of something going

wrong, of a huge scandal coming out of nowhere, are high. The prime minister could minimise the danger by a further, slight, adjustment of New Labour's position. He might achieve this by writing a short statement on the cabinet room flipchart. "Companies serve their shareholders, governments serve everybody", it would proclaim.

Excuse me for a moment while I climb on my hobbyhorse. To my mind the overriding success of the free market puts large companies in a position of such overwhelming power that we as citizens, not to mention consumers, need protection. This could be provided by the countervailing force of campaigning organisations like Friends of the Earth.

Likewise, governments are there to defend the public, not any particular part of it, whether that segment be organised labour or big corporations. Holding the ring for the market, maintaining the rule of law to enable business to function, trying to provide a stable economic background for manufacturers and traders, are all part of that task.

It should, however, be carried out at arm's length, eyes wide open. Unless it is, Mr Blair is at risk of waking up to headlines he will wish had never been thought of.

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PERSPECTIVES

Twice-dead poet of the Russian revolution still awaits a rebirth

Vladimir Mayakovsky died in the service of communism. Paul Neuburg argues for a recognition of his greatness

Vladimir Mayakovsky, arguably the greatest revolutionary poet of the 20th century, died twice. Following his second death, while turning in his grave, he was more alive to the people of his country than he had ever been before his first. And the way they feel about him now could spell his third demise.

Mayakovsky committed suicide in 1930. Self-murder had featured several times in his conversation and in poems going back to 1916. But just when it actually happened is all-important.

"You may say that his suicide was one of those rare acts of definition in history, which strips clean a whole era, and lays open the future mercilessly," says Patricia Blake, associate of the Harvard Russian Studies Centre, and editor of a collection of Mayakovsky's translated verse and his satirical play, *The Bedbug*.

"There was a poet who had tried to place his supremely individual gifts at the service of a collective society, and he now lay with a bullet through his heart."

The crisis that entrapped Mayakovsky in fact sprang from the issue at the heart of the whole history of communism and the arts. This concerned the realisation of its key aim, which was to reshape people's minds so they would join in reshaping the world.

But trying to pull this off turned out to demand, in the first place, a particular shaping or reshaping of the artistic style and agendas and sometimes egos of the writers and artists involved.

The drama of this process took the form in 1920s Russia of a fierce struggle between the Communist avant-garde and the so-called proletarian groups of writers and artists.

In this, contrary to widespread belief, the avant-garde was in trouble long before the party weighed in. It believed in creating a new world by liberating the human psyche through art.

The main problem was incomprehension on the part of the masses which the avant-garde sought to reach.

Writing in 1919 to the journal of the Commissariat of Education, run by Mayakovsky and the Futurists, Marc Chagall, then commissar of culture in Vitebsk, complained that when he had local futurist painters decorate the city with their work for the first anniversary of the revolution, the response from workers was: "What's this? Please explain. Is this art?"

The proletarians - whose name sprang not from their origins but from their professed aim to create a new art that served the working class - laid stress on an

accessible style that drew on the Russian tradition. And cultivating themes close to the experience of their intended audience, they thrived.

Among the avant-garde, it was Mayakovsky, originally a magnificent lyric poet much valued by his contemporaries, who sought above all to break through to the masses by radical shifts in the style, content and range of his work.

In 1919, he published *150,000,000*, a poem on the civil war in the tradition of a Russian folk epic and considered among his finest post-revolutionary works, not just anonymously, but with the opening lines naming the Russian people - the hero in the title - as also the author.

The same year, he went to

Self-murder had featured several times in his conversation and in poems going back to 1916

work for the Russian Telegraph Agency on agitational posters and poems, which he designed and wrote for the next three years. This was followed by a period of doing the same kind of work for state enterprises, battling for customers in the free retail market born of Lenin's New Economic Policy.

Typical was the verse, with a punchline he used in all his advertisements for the state grocery concern, *Moselprodm*, which read: "Cooking oil! Attention working masses! Three times cheaper than butter! More nutritious than other oils! Nowhere else as at *Moselprodm*."

Mayakovsky saw this not as just a way of making money, but as work in service of the cause, and the promotional poems not as doggerel, but the stuff of pride. Nothing he did, however, including his long eulogy of Lenin on the leader's death in 1924, and his epic celebration of the Bolshevik Revolution on its 10th anniversary in 1927, stopped the attacks on him, mainly from the proletarians, for being an individualist remote in his concerns and style from the masses.

But if Mayakovsky worked hard to reconstruct himself, what brought him down was mainly the effect of the proletarians taking the effort into their own hands. In the so-called cultural

revolution precipitated by the launching in 1928 of Stalin's breakneck industrialisation campaign, the leaders of RAPP, the Russian Association of Proletarian Writers, felt empowered to act as the party's bully boys to proletarianise not just literature, but its creators.

"The reconstruction of society was to be accompanied by a reconstruction of writers themselves," says David Shepherd, professor of Russian at Sheffield University, and co-editor of *Russian Cultural Studies*. "The word used was *perestroika*, wheeled out at various times in Russia to indicate a restructuring of society, or a restructuring of its individuals."

It was this restructuring by RAPP that Mayakovsky managed to bring on himself, by writing two brilliant satirical plays that proved red rage to the organisation, and then trying to make peace with its leaders.

His sense of the value of the sacrifice he had made for communism remained unshaken.

"I subdued myself, setting my heel on the throat of my own song," he wrote in 1930 in what was to be an introduction to a long ode to the Five Year Plan. "Listen, comrade of posterity to the agitator, to the rabble-rouser... I'll join you in the far communist future."

But when, in February 1930, Mayakovsky applied to join RAPP, thereby isolating himself from his avant-garde friends, he found its leadership hold was, in effect, a trial over his intentions. He then faced a deeply humiliating series of meetings aimed at his re-education. The process was not yet complete when, on April 14 1930 in his office in central Moscow, he pointed a gun at himself and pulled the trigger.

"He was a born rebel, an iconoclast. He would surely not have survived the 1930s," says Patricia Blake. "He may have had some prescientness of that, and in that sense you can say that he took his execution into his own hands."

But that was not the end of Mayakovsky's reconstruction. In December 1935, after Nikolai Bukharin, the Bolshevik luminary heading for an ugly end in the 1937 show trials, had made some cautionary remarks about Mayakovsky's stature, Stalin issued a statement that was given front-page treatment in the Soviet press. It said: "Mayakovsky was and remains the best and most talented poet of our Soviet epoch. Indifference to his memory and his work is a crime."

A year after the first arrests of Stalin's Great Terror, this set off a canonisation such as no other



Setting for the communist customer: Vladimir Mayakovsky, in two 1924 portraits, with examples of his copy for the state grocery concern, *Moselprodm*, advertising cigarettes, top and bottom, and for a *Moselprodm* cafeteria, centre

poet in history has enjoyed. A square in Moscow and a Metro station then being built were named after Mayakovsky, with his prophetic statue to dominate the first and his huge head the second, followed by streets and squares across the land, as well as locomotives, tractors, tanks and a minesweeper, and Pioneer, Komsomol and shockworker brigades, while his communist poems took pride of place in the educational canon and in the repertoire of school and enterprise celebrations.

Sorin Pasternak who, while rejecting his political poetry, had been a good friend of Mayakovsky's and spoke of his lyric verse as "poetry moulded by a master, proud and demonic and at the same time infinitely doomed," called this process the poet's second death.

But the rebel returned. In the late 1950s, crowds of young Russians began to congregate at the

foot of his statue in Mayakovsky Square, and recite his poetry as songs of protest.

"Out of all the officially approved classics, he was the only one different," says Andrei Zorin, Moscow critic, and chairman of the 1996 Russian Booker Prize judges. "But literature was

By the 1980s Mayakovsky seemed the troubadour of a disaster for Russia

then also very much a political matter, the only means of expressing opposition."

And in politics, after Stalin's death in 1953 and his denunciation by Khrushchev in 1956, the

push for liberalisation in the face of a still overwhelmingly Stalinist system harked back to Lenin and the early Bolshevik years, with Mayakovsky and the avant-garde the embodiment of their appeal.

The oppositional wave, however, went on to engulf Mayakovsky himself.

The *Rebirth of Mayakovsky*, written in the 1980s by Yuri Topchilevsky - significantly, a member of the generation that had gathered under Mayakovsky's statue to protest - but only published after Mikhail Gorbachev's period of *Glasnost*, attacks the poet for his politics and the poetry it spawned. By then, the idea that the evils of the Soviet system were rooted in Lenin and Bolshevism itself, had taken hold, and Mayakovsky had come to seem the troubadour of a disaster for Russia.

Maybe worse for Mayakovsky than the striking hostility this

provoked, is the indifference which surrounds him now. "Mayakovsky, as well as his heirs like Yevyushenko, are out of fashion," says Zorin. "Their whole tradition now seems artificial."

That could bury Mayakovsky as the embodiment of the spirit of the communist revolution, a third time. But perhaps, when the political encrustations have all fallen away, Mayakovsky, the lyricist celebrated by Pasternak and other contemporaries, will come back to life again. There's reason to believe he could.

"I recently taught a course on Russian literature at Stanford, and had to include Mayakovsky," recalls Zorin. "So I had to read him, which I hadn't done for many years. I was astonished at what a good poet he was."

■ Paul Neuburg is presenter of *The Red Flag and The Red Mask*, a series on communism and the arts starting at 8.15pm on Monday on BBC Radio 3.

John Connolly, Ireland's latest literary phenomenon, was sticking to mineral water this week as the Irish book trade gathered in Dublin for the launch of his novel, *Every Dead Thing*.

In a country where many believe themselves capable of being the next James Joyce, it was inevitable that Connolly's record six-figure publishing contract would put a few noses out of joint. Books Ireland, the publishing industry journal, had dismissed his efforts as "cumbrous". The characters, it said, were "under-developed" and "Connolly's style suggests an author who can't decide whether to be literary or popular but certainly can't pull off both".

Clearly there was some local envy at the amount Connolly negotiated with his publishers, the biggest for a first novel by an Irish writer. Hodder & Stoughton paid £350,000 for the worldwide rights to the book and its sequel, which Connolly is completing. In the US, Simon & Schuster paid \$1.1m for the one book, with an option to buy the follow-up.

Rival publishers said the deal was just part of a cynical branding of Irish talent. But grudges were to be expected, says Connolly, a 30-year-old literary unknown until last year, was earning about £10,000 a year as a freelance journalist with the Irish Times.

There is actually nothing "Irish" about the work. The only reference to Ireland is to a whiskey the main character likes to drink. *Every Dead Thing* is, in fact, a crime thriller set in the US, which consciously invites comparison with authors Ross Macdonald - a favourite of Connolly's - Ed McBain and Dashiell Hammett.

The story opens with Charlie

Metaphysics amid the mayhem

John Murray Brown on an Irish journalist's non-Irish thriller which has all of Dublin talking

"Bird" Parker, a New York police officer, who comes home after a drinking binge to find his wife and daughter brutally murdered. Wracked by guilt, he leaves the force and sets out to track down the killer, a search that pits him against organised crime bosses and takes him to the murky underworld of steamy Louisiana. Connolly writes fluently. He is irritated by suggestions the book lacks lyricism. "I think there are plenty of solid lyrical patches, which distinguishes it from American writing, which tends to be more spare in its style."

He acquired a taste for the genre after attending classes in experimental crime writing when he was at Trinity College, Dublin. The literary references - to the English metaphysical poets, and Elizabethan revenge tragedies - are also borrowed from his days as an English literature undergraduate.

"The idea of things being interconnected, spotting connections between things that are unlikely yet are there - that is what metaphysics is all about. Bird starts to make those sorts of connections. It runs through the book. I hope it's not too heavy-handed."

As for the killer's gruesome methods - a deliberate re-enactment of the flaying techniques of renaissance medical books - Connolly says: "What you see is the aftermath of violence. I never describe crimes actually being committed."

To research the plot, Connolly made repeated short trips to the US, while holding down his Irish



John Connolly: as for the killer's gruesome methods, "What you see is the aftermath of violence. I never describe crimes being committed" Photos: Alan Photography

Times job. He filled dozens of notebooks with snippets of dialogue caught on buses or in bars. On other occasions, the ideas were recorded on whatever was to hand - a zoo ticket or a torn-out page of a telephone directory.

"As a journalist you're used to going in in the morning and not knowing anything about a subject, and looking intelligent the following morning when it appears in the paper. It's been said that one of the great curses

of a young writer is that you write what you know. But actually if you do enough research you can know about anything."

He became an expert on US firearms, on policing, and on the flora of the Louisiana swamps. Authenticity - not so much plausibility - is the work's hallmark. Researching a setting, he would try to find someone who knew what the town was like when his character was growing up.

"It's something you can't get

from a book. You have to find someone who was there at the time, who can tell you what stores there were, when this bar was built, when this church burnt down."

Connolly adds: "You should always write for the one or two people who would be able to spot your mistakes."

Completing the manuscript was a sort of endurance test at first. "It was conceived as something that I wanted to do for myself. For two years it was just

something I did in the evenings to amuse myself."

He says no one, apart from two or three close friends, even knew he was working on a novel. "I think people who tell you about their novel-writing aren't ever going to write one. It's better just to keep your head down and keep quiet and just do it. I mean everyone on a newspaper has ambitions to write a novel. We're all frustrated writers deep down." It might seem odd that an Irish

writer should choose to write US detective fiction. But Connolly says it is part of a well-established tradition.

"You've got people like John Ford, who was to all intents and purposes Irish, creating this myth of a [American] West he had never seen. Throughout Hollywood history, you have these emigrant European directors coming in creating these wonderful visions of Americana."

Connolly jokes now that he had to turn to the *Writers and Artists Year Book* for advice on how to get a publisher. He first submitted sample chapters to 30 literary agents and publishing houses.

He was flatly rejected by six publishers. One even added a handwritten note at the bottom of the rejection slip pointing out why the novel was so bad. A year later, the same publisher was bidding along with others at auction for the completed work.

Connolly received nothing by way of advance. Indeed, his agent, Darley Anderson, advised him to hold out until he had completed the book.

"Our whole relationship was conducted on the phone until September or October of that year, so that for seven months I was sticking with the word of someone I had never met. I just bundled all the money I had into it. I took out loans. I extended my credit card."

He made one final six-week trip to the US to pin down the missing research. "I even dragged my poor girlfriend around New Orleans at the height of summer."

As a result of the hype, a lot is expected of the novel. In an unusual move, the publishers are offering to refund the £10 price if it is "not the most terrifying book since *Silence of the Lambs*". This reader was not disappointed.

صكرا من الامم

BOOKS

The robber baron's gift

Why did coke king Henry Frick leave his art collection to the US nation? asks Richard Lambert

His portrait hangs in pride of place among his matchless collection of pictures. Painted some time after his death, it shows a gentle, courteous man, with a kindly expression and a well-trimmed beard. He stands a little hunched, looking rather diffident, even vulnerable.

This is the same Henry Clay Frick of whom a business partner wrote: "He was a thinking machine, methodical as a comptometer, accurate, cutting straight to the point... He had no friends and was a very unhappy man... was cold blooded, ignorant of everything except the steel and coke business... was cold and austere and unlovable even in his family; ruthless, domineering, icy."

There are two great questions about Henry Frick. How was it that a man who was regarded like this by even his closest associates came to build an art collection that is universally loved? And why did a man who spent his life ignoring public opinion leave his precious collection to the nation

in that great public building on New York's Fifth Avenue?

A new biography by a great granddaughter, Martha Frick Symington Sanger, attempts to provide some of the answers. Drawing on family memories and private diaries and letters, she provides what is certainly a fresh perspective on a man who in most respects was one of the least attractive of America's late-19th century robber barons. Two main themes run through her story, one more persuasive than the other.

The first is that Frick's personal life was darkened beyond measure by the tragic and lingering death of a beloved young daughter. Poignant recollections of the child recur right through to his own final days. Sanger's second idea is that Frick's love of his paintings can be explained in terms of his memories and dreams. Almost all of them, she suggests, carry references to his own experiences, whether in similarities to the lost child, general family likenesses, favourite pets - just about anything.

Neither of these themes,

however, are much help in answering the big questions about Frick. There was, after all, precious little joy in his life even before the death of the infant Martha in 1881. Born in modest circumstances in 1849, Frick

HENRY CLAY FRICK: AN INTIMATE PORTRAIT
by Martha Symington Sanger
Abbeville Press \$30, 399 pages

had fought his way to immense wealth in the toughest of industries - coke and steel - by the time he was little more than 30. He had already earned himself the reputation as the most brutal of strike breakers: his company's security thugs were, it was widely believed, issued with "shoot to kill" orders against rioters in 1889, and there was nothing out of character in the incident that was to earn him national notoriety, the Homestead battle of 1892.

On that occasion, Frick sent in 500 armed Pinkertons against the disaffected work-

force: three of them died, along with seven strikers. Order was eventually restored with the help of 8,500 members of the Pennsylvania state militia.

Some of Sanger's theories about what Frick saw in his paintings are hard to treat seriously. Take as an example one of the greatest works of the collection, Rembrandt's "The Polish Rider". Not only does it apparently contain many references to early days in the coke industry and to Frick's interests as a Mason. We are also asked to believe that the rider himself is a dead ringer for another of his daughters, Helen. Fortunately, the book is beautifully produced, and contains more than enough gorgeous reproductions to compensate for these trials.

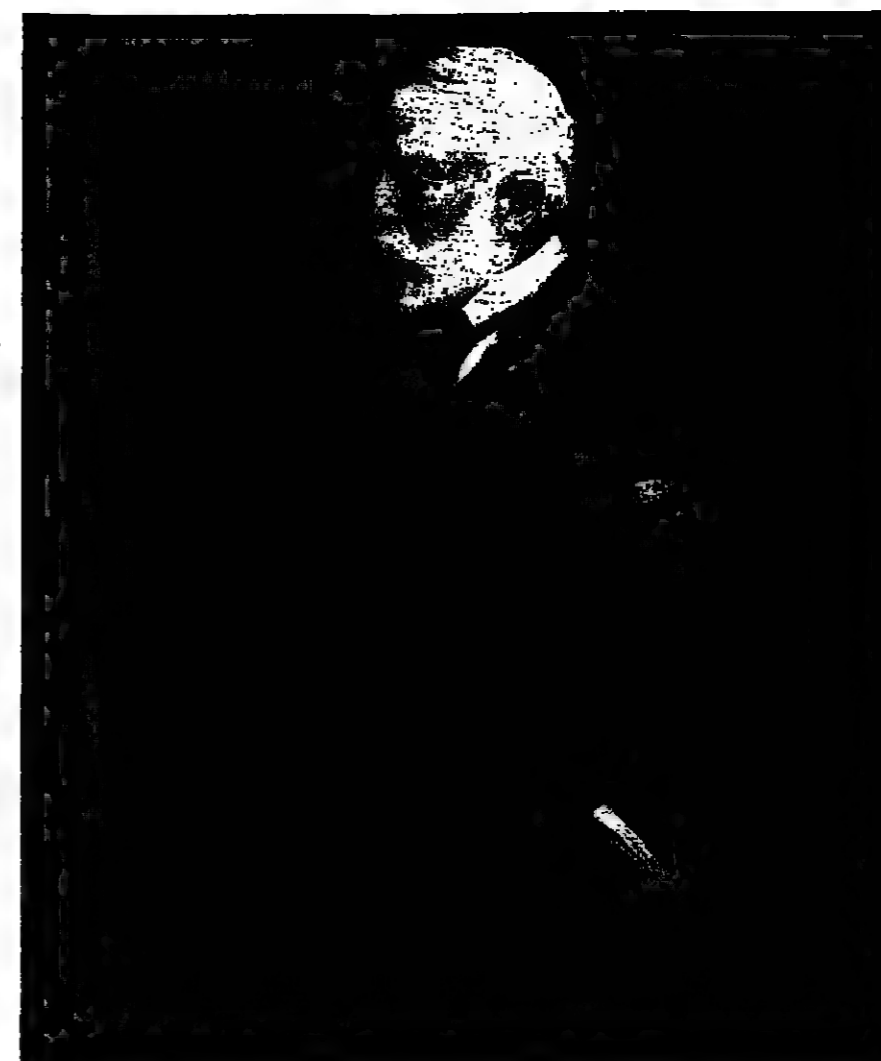
Sanger skims over how the paintings were acquired, and the extent to which Frick was influenced by others in his choices. She claims that he never liked the dealer, Joseph Duveen, and was so suspicious of him that he always had a secretary present to record every word of their meetings.

This seems rather improbable, given the degree to

which Duveen influenced the Fifth Avenue building; among other things, he chose the architect and the decorator, along with the paintings for the stunning Fragonard and Boucher rooms. What seems clear is that Duveen and others helped to shape Frick's enthusiasm, steering him away from an early interest in rather soppy French contemporaries towards the much more impressive - and expensive - old masters which we see today.

There is no doubt that he really delighted in the art that his immense wealth enabled him to assemble. Unlike most of the other robber barons, he did not look on his collecting as just another way of scoring points, a thing that people did when they had made enough money. And in the end, it was to transform the old boy, at least in terms of modern memory, into the gentle looking creature which visitors to the gallery see today.

In the words of Duveen's biographer, "Steel strikes and Pinkerton guards vanish, and he basks in another, more felicitous aura."



Cold, austere businessman with precious little joy in his life except his love of paintings: Henry Frick

Without the music, the Master is lost

Clement Crisp argues that a compilation of the lyrics of Noël Coward is a self-defeating exercise

Years ago I was leaving a theatre just behind Noël Coward. As he passed by, a theatrical lady darted forward and gasped "Good evening, Master". I half expected Coward to turn round and tell her that her faith had made her whole.

That Coward was a brilliantly gifted man of the theatre can never be in doubt, and the 1999 centenary of his birth will provide a proper occasion to place his several talents in perspective. But I am not persuaded that the lustre that surrounds his name - so eagerly burlished by Cowardolaters who run the cottage industry that still flourishes in books and television programmes about him - can ever justify turning what was once a light-hearted tribute to his manifold abilities into a serious title.

Assembling what is, we are led to believe, the almost complete collection of his song lyrics is just one manifestation of this curious obsession. Barry Day has trawled theatre collections and delved deep in archives to find the least little lyric as well as the great hits. His book is handsomely designed, amusingly illustrated with photographs and drawings and pages of Coward manuscripts, from the earliest theatrical years (circa 1912) up to the last iconic images (Coward and Marlene Dietrich leaving a theatre and looking like glamorous tortoiseshells).

His first lyrics date from 1916, and include the

unlikely "Baseball Rag", set to music by the repetitively named Doris Doris. His final verses were for a Broadway version of *Billie's Spirit* in 1964, a decade before his death. In the half-century that intervened he wrote some of the most beguiling and haunting of popular songs, and provided lyrics that, in a few and extraordinary cases, have entered the language and consciousness of our society. ("Mad Dogs and Englishmen" is probably the supreme example.)

NOËL COWARD: THE COMPLETE LYRICS
Edited by Barry Day
Methuen £30, 332 pages

But, and this is central to his success in the musical theatre, he was a melodist first, a versifier very much second. "Don't write all the lyric before the music" he advised Sandy Wilson. "The lyric imprisons the melody. Let the music be free." Divorced from their well-shaped, insidious tunes, his lyrics lie hapless on the page in - for the most part - sad disarray. To read, baldly, *Happiness that must die*, *Melodies that must fly*, *Memories that must fade*, *Dusty and forgotten by and by*, is to miss everything that these words mean when they are rightly placed in the musical context of "I'll see you again". The melody carries everything on it, before it. Coward could dare to rhyme "moon" and "soon" because the music (in the

haunting "Never Again") takes the lyric onward - and upward. Even in "Matelot", where the melody verges on the banal, the music is so artfully tied into the lyrics (which scale no heights either) that the song made tremendous sense in the theatre.

Here is the problem with this assiduous and, I fear, self-defeating compilation. Without the music, most of the verse loses its point. We can be amused for a few moments at the period feel of the text - as in "I want to a marvellous party" when *Dear Cecil arrived wearing armor, Some shells and a black feather box* - but we have to remember, too, that these songs were often carried by much-loved performers, and such stars as Yvonne Printemps and Beatrice Lillie, Gertrude Lawrence and Coward himself, could have made the Zagreb telephone directory a thing of theatrical joy. Without music, without loving performance, this pious collection is just that. Far better to have celebrated Coward's songs, words and music inalienably together, and produced a series of compact discs containing every available original cast recording. As things depressingly are, the volume is ideal only for those who want to brush up on the lyrics so as to keep the room in a roar with impersonations of the Master singing "Mad Dogs and Englishmen" or "Don't Put Your Daughter on the Stage, Mrs. Worthington". Not really justification enough.



Henry Bech (b. 1939) is a New York Jew, an over-interviewed and under-fulfilled novelist first imagined by John Updike in *Bech: A Book* (1970) - in which he was fed to the 1960s equipped with writer's block, thinning curly hair, selected modes of sexual regret, and a heavy schedule as cultural ambassador to Russia, Bulgaria, Romania, even Virginia.

In his first collection of stories, Bech was established as fundamentally sympathetic, mildly unprincipled, seriously woman-loving, curiously light of personality, and essentially incomplete - even in his self-concern.

He returned, as we thought he might, in *Bech is Back* (1982), to do time in the 1970s. More trips - to Ghana, Venezuela, Korea, Kenya, Tanzania ("Bech Third Worlds It"), Australia, Canada, Israel, Scotland ("Macbech") - more women, more block. A marriage entailed a move to Westchester County and stepfatherhood. There followed, at the end of the

Swept up in a secular vision of nirvana

Fiction/Galen Strawson

decade, a late best seller ("Think Big"), sex with his sister-in-law (former girlfriend), marital separation, and reversion to the Upper West Side of his ancestors (at least one generation of them).

And that, we supposed, was the end of Bech, still childless, still unclear, a man made to amuse us, detached from life as if by tragedy; a human being with a fluent sensibility harbouring an absence, hanging on to triviality in order to stay real, a thinned, WASP-crossed blend of Mailer, Bellow, Singer, Malamud, Roth, Salinger (Bech's own list in *Bech: A Book* oddly begets Heller, with whom he shares time at NYU after the Second World War, under the aegis of the GI Bill).

So no one expected to hear more of Bech, least of all Bech: "For some years now

Bech had felt his author wanting to set him aside, to get him off the desk forever". But here is *Bech at Bay*, a "quasi-novel" in five time-slices that carries him way into the sixth age of man (on the Jacques index) and leaves him on the edge of Y2K, a first-time father at 75, a massively resented Nobel Prize winner whose quickfire "falling-in-love apparatus" (an interesting view of evolutionary psychology) is still tremendously operative.

Updike takes him up again in 1986, back behind the Iron Curtain in "Bech in Czech", more heavily aware of the Christian past and the Jewish dead around him, suffering the "romantic vertigo" of solitary travel, a deposit box for details. The book then tracks him into his eighth decade, with a backflip to 1973 Los Angeles (Updike, proud to

anachronism, fills Venice Beach with rollerbladers) and a witty encounter with the villainy of the law, "so oddly swirled in every direction but that of the simple truth".

By 1991-3 Bech is living funkily downtown in a loft on Crosby Street south of Houston, still paradoxically male, unrel about women ("you can, through chinks in the fraction of the blues that must tumble in upon them all day long"), writing polyglot tributes for Festacritique as his contemporaries hit 70, then receiving them himself. Eighty pages in, "Bech Presides" treats in equal measure of ageing artistic rivalries and "His pussy hips navel armpits". Lovely Updike seemed touched, in this clever olfactory story by hyperosmia, as Bech, beset by "whiffs", "aromas" and "smells", "scents sex" in

the unsmiling person of Martina O'Reilly, in her "scallion-scented breath", her "scents of apples rotting", her "zephyrs of carnal odor", her "tang of overwhelming goodness", not to mention her "old-fashioned plain white

BECH AT BAY
by John Updike
Hamish Hamilton £16.99, 256 pages

bikini underpants". On to 1997: "Bech Noir" is '74, still living on Crosby, his disfiguring memory serving up old, sour reviews of his books word for word. He feels "a creamy satisfaction" at the news of one critic's death, and wonders whether he might not terminate a few others himself. Like Ben Turnbull, the protagonist of Updike's previous novel *Toward the End of Time* (1987), Bech

knows his time on earth is short. He is tired of the reviewers' "barrage of querulous misprision". He is growing more deeply irresponsible both physically and verbally, and he passes from the intention to the act without a shadow, dispatching two of his unforgettable critics with a septuagenarian malice that thrills Robin, his "post-Jewish" mistress, one-third his age, into active collaboration, serial orgasm, and gelatinous-eyed broadness.

Hence baby Golda, filling the Crosby Street loft with the "spicy smell of ochre babyshit" and delighting his eyes with her little "tooth-bothered mouth". She is eight months old in 1999 when Bech, in "Bech and the Bounty of Sweden", takes the Nobel Prize in the face of "Mailer, Roth, and Ozick, not to mention Pynchon and DeLillo".

Updike fails us in omitting his own name from this *New York Times* list of the passed-over. (It has already featured in *Bech at Bay* in a list of Johns - Irving, Fowles, O'Hara, Barth, Hersey, Cheever, Updike - whose work Bech doesn't like). He should have named himself; it's not often that realism and cheek both indicate self-reference. It didn't require machismo, only verisimo, and handsome-prosed Updike, his movements of excess so knowing and controlled, his half-true epigraph from Wallace Stevens - "Something of the unreal is necessary to fecundate the real" - taking a page to itself at the front of the book, was well covered. (It is open to him to reply that it was the omission of his name that was unreal.)

Bech's years mask but do not fill his younger

incompleteness, which stems partly from his author's (self-confessed) inability to imagine his Jewish synecdoche fully from the inside. But the imaginative deficit is nothing next to Updike's self-inability to deprive his protagonist of the astonishing character-smuggling output of his (Updike's) own sensibility. His generalisations about human existence can be dazzlingly foolish ("all the forces that create us must, in our instinctive self-approval, seem benign"). He does not show us the depth of life, in his foxy phrasal joy. But he is quite brilliant at the surface, a great lamenter of modern loss, of "orchards gone under to malls", a man swept upon in his own secular version of nirvana, "the timeless bliss when pencil point touches paper and makes a mark".

It's good that he still has to write at least six more novels in order to complete the set of 26 (one for each letter of the alphabet) that he promised us - or rather himself - early in his career.

BOOKS

The Nile, via the Mountains of the Moon

A fascination for the Victorian adventurer Sir Richard Burton sent Christopher Ondaatje on a journey of discovery

"His dress and appearance were those suggesting a released convict... a rusty black coat with a crumpled black silk stock, his throat destitute of collar, a costume which his muscular frame and immense chest made singularly and inconspicuously hideous, above it a countenance the most sinister I have ever seen, dark, cruel, treacherous, with eyes like a wild beast's. He reminded me of a black leopard, caged, but unforgotten..."

Wilfred Blunt, describing Sir Richard Burton

For over a quarter of a century I have been fascinated by Sir Richard Burton, the great Victorian adventurer. His very name conjures up images of adventure, and he seemed to have lived the life I always wanted to lead. Eventually, Burton's search for the source of the Nile with John Hanning Speke contributed to his being the best-known traveller of the 19th century.

Burton was an outstanding orientalist, archaeologist, linguist, anthropologist, and a controversial diplomat. In over 50 books he covered an amazing diversity of subjects, and his translation of the *Arabian Nights* remains the most famous ever published. His remaining papers were burnt by his widow, perhaps one of the most destructive crimes ever perpetrated on the literary world.

"I find my journal bristling with enthusiasm. Of the gladiators in human life, methinks, is the departure upon a distant journey into unknown lands. Shaking off with one mighty effort the fetters of Habit, the leaden weight of Routine, the cloak of many Cares and the slavery of Home, one feels once more happy. The blood flows with the fast circulation of childhood... A journey, in fact, appeals to imagination, to Memory, to Hope - the three sister Graces of our mortal being."

Richard Burton, Zanzibar.

In the late 1860s, I shed all my business interests and embarked on an enigmatic life of adventure and writing. Since then I have written four books, and the latest, *Journey to the Source of the Nile*, traces journeys of the mid-19th century explorers who strove to solve the riddle of the world's longest river. Where did all this water come from?

Europeans knew little about

Africa in the early-19th century. Missionaries arrived; then came explorers who paved the way for colonisation until, 100 years later, the enormous continent was ruled by European powers. Now, Africa seems again a great unknown, gripped by political turmoil, wrestling with huge economic and environmental challenges, struggling to emerge from the long shadow of colonisation.

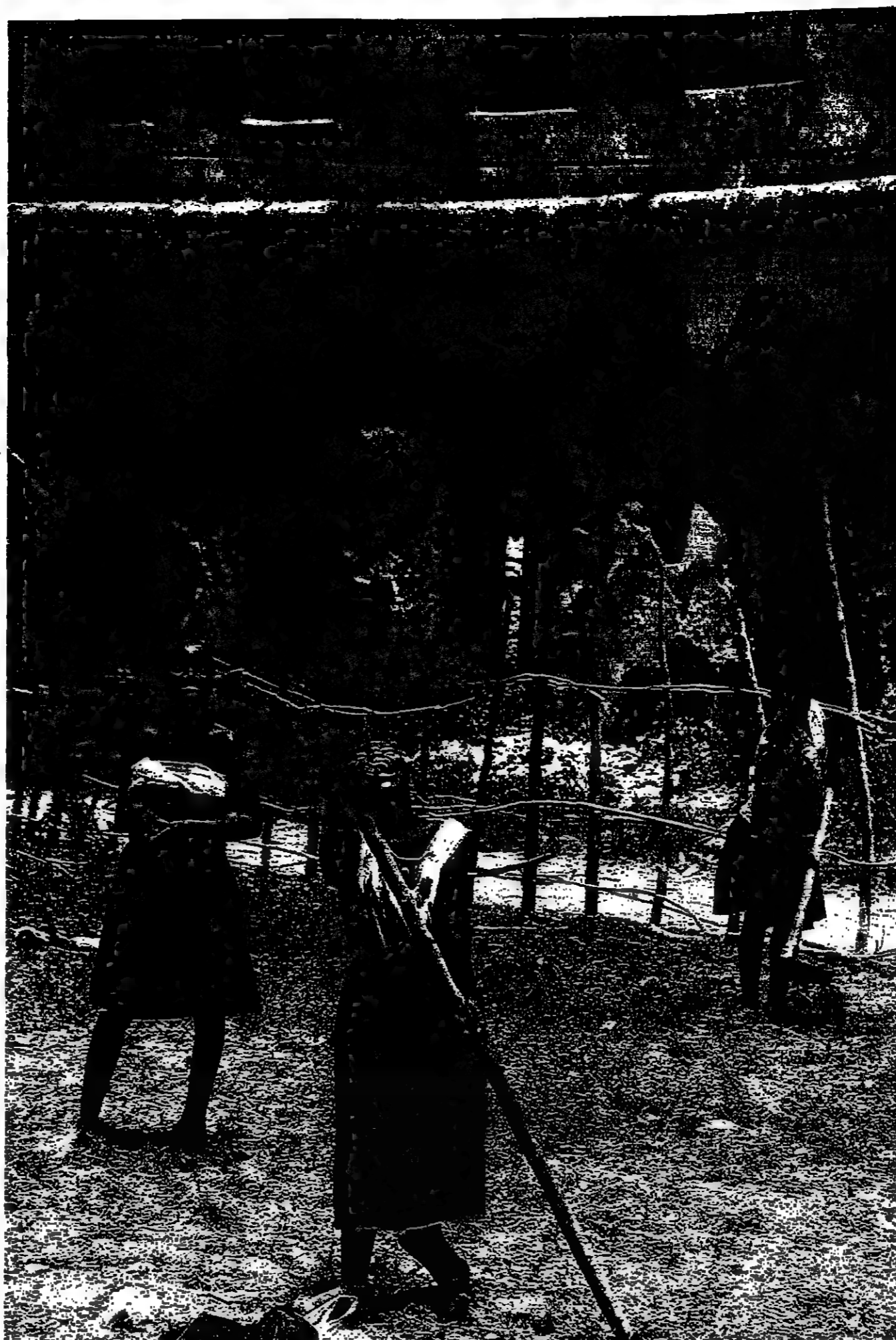
In the 1840s, missionaries in East Africa reported seeing snow-caps on Kilimanjaro and Mount Kenya, and of hearing about a large lake further west. The Royal Geographical Society sent Burton to investigate in 1856. He thought this lake must be the source of the Nile, and set out from Zanzibar to find it. Burton and his companion, John Hanning Speke, were the first Europeans to see Lake Tanganyika, but Burton never saw the source of the Nile. On their return journey, however, Burton allowed Speke to lead a small expedition

Were Speke's claims that Lake Victoria was the source of the Nile accurate? There was only one way to find out

from Kazeh (now Tabora), and changed history. On August 3rd 1858, Speke reached the summit of a hill near present day Mwanza, and wrote: "I no longer felt any doubt that the lake at my feet gave birth to that interesting river (the Nile), the source of which has been the subject of so much speculation, and the object of so many explorers."

But were Speke's claims that Lake Victoria was the source of the Nile accurate? Where did the Ruwenzori Mountains, the famed Mountains of the Moon, fit in? And what about Samuel Baker's claims about Lake Albert? Where did all the water for these two significant lakes come from? What about the Kagera and Semliki rivers? There was only one way to find out.

And so, armed with the journals and maps of all the Victorian explorers - Burton, Speke,



When the fun threatens to become too fast and furious, the song dies, and the performers, with loud shouts of laughter, throw themselves on the ground, to recover strength and breath; Sir Richard Burton describing the inhabitants of the Lake Regions of central Africa, pictured above

Grant, Baker, Livingstone and Stanley - I set out in 1996 with four intrepid Tanzanians to trace the Victorian explorers' journeys and to settle the Nile for myself, just as 140 years ago each of them had set out to do. I had no idea what I would find, but I knew instinctively that more than a river had been born in the geological cradle of the Nile.

What I quickly realised was that I was not only stepping into a giant jigsaw puzzle created by my predecessors, but I had to subject myself to all the horrors that the European scramble for Africa eventually caused: refu-

gees; bandits; the rise of Islam; the rise of tribalism; new attitudes towards Christianity; the blurring of white man's boundaries; and the stark realisation that I would have to step over the line into territories that even the 19th century explorers had failed to enter.

In Kampala, I found a hidden diorama illustrating the drainage of Uganda. The accompanying information fascinated me: it explained something of how plate tectonics affected the Nile, first seriously proposed only in the 1960s and not generally accepted until the 1970s. Then oil exploration

in and near Egypt provided startling evidence of the Nile's early history. Of course, none of this information was available to the Victorian explorers.

Over millions of years, rift valleys formed in Africa as land sank between parallel faults. This pushed the edges of the rift valleys up into escarpments. Lakes formed in the bottom of the rift valleys, collecting water that used to drain away to the west. The rift also formed a shallow bowl around what is now Lake Victoria. Rivers that flowed west, notably the Katonga and the Kagera, now flowed east, fill-

ing the depression. Then, about 12,500 years ago, the waters of Lake Victoria found a low point at the north edge of the basin and finally established, at Ripon Falls, a permanent outlet down to the western rift valley at the north end of Lake Albert - and a connection to the Nile.

This phenomenal information solved several puzzles for me. Speke's claim that Lake Victoria is the only source of the Nile, is wrong, but it is one of the two great reservoirs, the other being Lake Albert. And the rivers - the Kagera feeding Lake Victoria, and the Semliki feeding lake

Albert - are the two main sources, draining the watershed of the Burundi Highlands and the Ruwenzori Mountains - the Mountains of the Moon.

In terms of time, our safari measured months instead of the years it did for the Victorian explorers. In terms of distance travelled, however, we had done quite well. It was the journey Richard Burton should have made. We had covered a total of 10,024 kilometres - roughly equivalent to one-fourth of the world's circumference at the equator - and one and a half times the length of the Nile. We had traced the routes taken by the greatest Victorian explorers. We had followed the trail of Burton and Speke's 1857 expedition from Zanzibar across Tanzania to Lake Tanganyika. We had retraced the route of Speke and James Augustus Grant along the western and northern rim of Lake Victoria to Ripon Falls and

I now know that Africa will always be a mystery. And the Nile will, I am certain, suddenly find a way to puzzle us anew

the start of the Victoria Nile. We had followed Samuel Baker's journey along the Victoria Nile westward to Murchison Falls and Lake Albert. We had reached the Ruwenzori Mountains, the legendary Mountains of the Moon. We had seen the Semliki River and Lake Edward and Lake George, as Henry Morton Stanley had. Finally, we had finished circling Lake Victoria through Kenya, travelling southward along the eastern shores to Mwanza for a second time.

There was one more startling revelation to come, however. Driving south from Loliondo across the great short grass plains of the Serengeti, we passed through Olduvai Gorge. About 2m years ago there was a large shallow lake here. Rift-related faults released the water. Savanna-adapted animals replaced swamp animals. Fossils of three hominids have been found in the gorge. It is possible, therefore, that the stream of humanity may have a single source in this and similar parts of Africa forced into the rain shadow. The latest (and ongoing) rift process altered the climate of this region, allowing new species to evolve under the pressure of natural selection. To the west, forest remained, but the area to the east became savanna. The precursors of homo sapiens were forced to devise new ways of surviving. Mary Leakey's amazing discoveries in Olduvai Gorge in 1960 led to this theory, which now views Africa as the cradle of the human race. Thus, the evolution of our ancestors may well have been triggered by the very same geological events that formed the present headwaters of the Nile.

I now know that Africa will always be a mystery. And the Nile, just when it seems to have revealed all of its mysteries, will, I am certain, suddenly find a way to puzzle us anew.

Christopher Ondaatje is the author of *Journey to the Source of the Nile* (HarperCollins World, £20).

An everyday tale of Communist folk

This autobiography is all the more compelling for not being a heroic story, argues Stefan Wagstyl

Paul Lendvai is not the only central European Jewish writer to have lived through both Nazi and Soviet-inspired terror. Unlike some others, he experienced neither Auschwitz nor Siberia and he was spared the greatest horrors. However, his autobiography makes good reading: its value lies in Lendvai's ability to recall the everyday effects of totalitarian rule - and in his courage in admitting to his own weaknesses. This is not the tale of a hero, and is all the more compelling for that.

In one of the book's most painful passages, Lendvai describes how, as a young conscript in the Communist militia, he inadvertently betrays his sergeant to the secret police. As a journalist, irritated that

conscription had interrupted his career, he had teamed up with another journalist in his unit. It seemed to Lendvai that he had everything in common with this fellow intellectual, as opposed to the farmers and workers who made up the rest of the squad. However, one day, the unit's sergeant took Lendvai on a short walk and warned him that his journalist friend had in fact been assigned by counter-intelligence to spy on Lendvai.

The sergeant asked Lendvai not to share this news with anyone. But Lendvai did. He told the journalist-informer himself. As he writes, "I have since asked myself time and time again how I could have been so stupid. I cannot reconstruct today what went through my mind at the time." Later, when Lendvai was himself arrested, a secret policeman told him that the sergeant had been "taken care of".

Lendvai, who subsequently worked as a financial Times correspondent for 22 years, starts his book in 1944, when the full force of Nazi terror was launched on

Hungary's Jews. One moment he is a teenage boy supporting Ferencvaros, his football team, and the next he is staring death in the face. He was arrested and assigned to forced labour before he managed to escape and hide in Budapest.

BLACKLISTED: A JOURNALIST'S LIFE IN CENTRAL EUROPE by Paul Lendvai 18 Tauris £4.50, 256 pages

He survived, thanks to a protective passport issued by Carl Lutz, the Swiss consul, one of the four people to whom the book is dedicated. The others are three more saviours of Budapest Jews - Giorgio Perlasca, an Italian businessman who passed himself off as a Spanish diplomat, Angelo Rotta, the Papal nuncio, and the legendary Raoul Wallenberg.

After the war, Lendvai wholeheartedly committed himself to the Communist cause. He does not flinch from describing his role working for the party's official newspaper, in a

band of "enthusiastic fighters in the class struggle." Even when friends on the left were arrested and denounced, Lendvai says his own enthusiasm was undimmed. Others might be embarrassed to write so honestly about their faith in Communism in the light of what is now known about Soviet rule. Lendvai performs a service in bringing to life the spirit of the times.

He also deals well with the onset of disillusion, his own denunciation for "political errors," his expulsion from the Communist party and arrest. Despite his humiliation, he accepted re-employment into the party because there was no other route to work as a journalist. After the tumultuous 1956 uprising, he had a decision to make - and chose to flee to the west, like thousands of other Hungarians.

After establishing himself in Vienna as a specialist on central European affairs, Lendvai worked for the FT and other publications before becoming editor-in-chief of ORF, the Austrian Broadcasting Corporation. The book's post-1956 chapters are inevitably less dramatic; however, there is an entertaining passage on how he bought freedom to the west for his widowed mother by organising a night at a Viennese stripshow for a visiting Hungarian Communist official.

Fiction/Christine Pountney

Odyssey falls short of its destination

It is said to be notoriously difficult to write "the second book" - especially if the first was a great success. David Guterson, author of the best-selling debut novel, *Snow Falling on Cedars*, must have been under immense pressure to reproduce the popularity of his former book. However, such pressure can be creatively stifling, and *East of the Mountains* strains under the weight of great expectations.

The story itself is thin, the mere framework of a house without walls. What protects and insulates the house is an inordinate amount of neutral description: details of the landscape, regional flora and fauna, medicine, hunting, Italy during the second world war - you name it, the author has it covered. If the long, often superfluous descriptive passages were edited out, the novel would stand at a quarter of its present length. One has only to read the long list of acknowledgments to understand the extent to which Guterson drew on the expertise of researchers and specialists to bolster his story.

I am by no means of the opinion that research is anathema to good fiction, but specialised detail should

serve to further the plot, or enable the reader to have a deeper understanding of the characters. If it doesn't, then the writing feels fractured - divided between the story on one hand, and expository facts-of-interest on the other.

In his 1919 essay on *Hamlet*, T.S. Eliot wrote that

"(t)he only way of expressing emotion in the form of art is by finding an objective correlative: in other words, a set of objects, a situation, a chain of events which shall be the formula of that particular emotion: such that when the external facts, as they are given, the emotion is immediately evoked." The reason most of the description in Guterson's novel doesn't work is that it exists for its own sake, and not as a means of either shedding light on the character's state of mind or contributing to the atmosphere of the story. It is almost as if the author uses description in lieu of profundity, as a means of avoiding the deeper emotional questions that the story at times demands:

Needless to say, even before he arrives at his destination, Ben gets into a car accident and the odyssey begins. (There's even a Cyclops - though it's not one Ben has to fight: his own eye gets bruised in the accident and swells shut.) Over the course of the next few days, Ben is forced to face a series of setbacks, the worst being the theft of his gun. Gradually, however, inspired by the optimism and generosity of various young people he encounters along the way, Ben comes round to a different way of thinking. He eventually realises that, even in death, he can serve a purpose: that there is dignity not only in being the doctor, but in being the patient as well; that in dying he has yet another gift to bestow, and that is compassion.

EAST OF THE MOUNTAINS by David Guterson Bloomsbury £15.99, 270 pages

let, T.S. Eliot wrote that "the only way of expressing emotion in the form of art is by finding an objective correlative: in other words, a set of objects, a situation, a chain of events which shall be the formula of that particular emotion: such that when the external facts, as they are given, the emotion is immediately evoked." The reason most of the description in Guterson's novel doesn't work is that it exists for its own sake, and not as a means of either shedding light on the character's state of mind or contributing to the atmosphere of the story. It is almost as if the author uses description in lieu of profundity, as a means of avoiding the deeper emotional questions that the story at times demands:

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سكدا من الاصل

Two small study exhibitions at the National Gallery, centred upon particular works in the collections but augmented by significant loans, currently take us deep into the art-historical byways of painting in Florence, Rome and central Italy in the later 15th and early 16th centuries. They represent the kind of exercise beloved of art historians, indeed their meat and drink – recondite squabbles over datings and attributions, supposition argued as certainty. This is in no way to belittle the scholarship involved, but only to remind us that art history is hardly an exact science. Indeed it sometimes seems that the more is discovered, the less is known.

It sometimes seems that the more is discovered, the less is known; nevertheless, it is all fascinating stuff

And if it sometimes seems that the last thing to be remembered is the painting as a painting, it is all nevertheless fascinating and entertaining stuff.

Both exhibitions – on Luca Signorelli, a sometime pupil of Piero della Francesca; and Zanobi Strozzi, an obscure follower of Fra Angelico – also raise questions over the gallery's cleaning policies, for it has been the meaning of particular pictures that has provided this opportunity and excuse. I have no intention of entering into that controversy now, other than to say that it is an argument no-one can ever win in principle, but can only be taken case by case. Should one never clean a picture, ever? Should every picture be kept as fresh as day? Here the Zanobi "Annunciation" (c.1440-45), which in the gallery's Complete Illustrated Catalogue of 1986 was still given as by "probably... a close follower" of Fra Angelico, was only revealed as what it is by the signature discovered by its recent cleaning – a cleaning which appears to have been fairly robust, to say the least.

This then is a Zanobi where there was none before – or is it? For with one question answered, others more far-reaching are immediately asked. His "Annunciation" is hung here for direct comparison between a "Virgin and Child with Grapes" (c.1428), from a private collection, a wonderfully tender yet monumental image, closely influenced by Masaccio, and given now with some confidence to Fra Angelico; and a similar, no less beautiful though more decorative painting from the Royal Collection, "The Virgin of Humility with Angels" (c.1440), attributed to none other than the Master of the Buckingham Palace Madonna. The stylistic similarities between the three are unmistakable, and most especially between the Zanobi and the Fra



Into the art-historical byways of late-15th early-16th century Italian painting: 'Four Standing Figures' by Luca Signorelli, sometime pupil of Piero della Francesca

Masterpieces – in anyone's book

Viewing two study exhibitions at the National Gallery, William Packer refuses to be drawn into controversy and just enjoys the paintings

Angelico: the same gentle inclination of the head; the same delicately revealed parting in the centre of the forehead; the same hatched modelling of the hair and the folds of the cloak falling around the head and shoulders; the same drawing of the eyes; the same spread of the hand. But if one is surely by Fra Angelico, the other now so obviously by Zanobi? Hmmmm.

With the Signorelli, the larger of the shows – for he was hardly the shadowy figure of Zanobi, and the gallery has eight of his works, including three huge altarpieces and two frescoes –

the questions are less of attribution than of chronology, though the one thing does tend to lead to the other. Signorelli, though not now so highly regarded as he was a century ago, was a prominent figure of the late 15th and early 16th centuries, and much-admired and well-documented in his time. He trained in the workshop of Piero della Francesca in the 1470s, and in his own work stands as a bridge between the cool and mystical formality of his master, and the more easy naturalism of the new century. We clearly mark this transition in the great "Circumcision" altar-

piece of 1461, for example, with its theatrical formal setting, the crisp profiles and sometimes flattened, stilted modelling of the principals, and yet the active, natural gestures of the supporting full-length figures.

Only the dates are puzzling. There is the wonderful man upon his ladder, a fragment from a huge "Lamentation" of about 1505, from a Scottish collection, which stands happily as a robust development within the general oeuvre. But then comes a ravishingly beautiful "Virgin and Child" from a private collection, never published nor even exhib-

ited before, a standing figure as though part of a larger composition, possibly a "Presentation". It is confidently set around 1510, and yet its elegiac mood seems more 15th than 16th century, and more Venetian than Florentine. Another fragment is even more delightful, a head and shoulders of the Mourning Virgin, again in private hands and until now unpublished, and set between 1508 and 1515 to keep some options open. Can so vigorous and simple an image be so late? And we go back to the earliest Signorelli in the show, the gallery's own "Holy Family" of

1486-90, given to him now with some certainty. Again it is a lovely thing, the tenderest of images of the holy child at his mother's breast, and it is like nothing else in the exhibition, but can it really be earlier than the 1490 "Circumcision" altarpiece, let alone that "Virgin and Child" of 1510? The modelling of the Virgin's head and hands is delicately full and rounded, her whole body sitting comfortably in the space allowed her. It is a painting that takes Signorelli forward surely into another age. Were it set against the "Circumcision", for it is hung around the

corner, one would hardly believe it to be from the same hand. All the great men are sure it is; but, as I say, theirs is no exact science. The paintings are still the paintings they are, for us to respond to and enjoy.

Signorelli in British Collections: Sunley Room, National Gallery, Trafalgar Square, London WC2, until January 31; supported by The Bernard Sunley Charitable Foundation. Zanobi Strozzi – In the Light of Fra Angelico: Room 1, The National Gallery, until March 7; supported by The George Beaumont Group.

Television/Christopher Dunkley

A shrewd eye for phoneys

As from tomorrow, Sunday evening is going to be a time to stay in for a few weeks. Two new factual series start, each worth watching, so that taken together they make the backbone of a worthwhile evening's viewing. *Bill Bryson's Notes From A Small Island*, a six-part series from Carlton, screened on ITV between 7.00 and 7.30, is based on the book that has had – is still having – such a phenomenally successful run in the British best-seller lists. *Hostage* is a three-part series, shown by Channel 4, between 8.30 and 9.30, telling the story of the Beirut hostage saga.

It is hard to imagine a more vivid contrast in content or style, but both series are exceptionally well made. The first is charming and highly entertaining, and the second reinforces what has become a powerful tradition at the independent company Brook Lapping Productions, which specialises in scrupulously detailed recent history.

It is hard to resist a man who comes from abroad and insists on telling you what a wonderful country you live in, especially when he proves that, far from being one of those suggestive Americans who go into babbling ancestor worship in front of anything more than 300 years old, he is actually a shrewd and sometimes tart commentator with a beady eye for the phoney. There was no reason to believe that, just because his books are such a delight to read, Bryson would prove to be a useful television presenter, and yet he is rather more than that. He has a relaxed style and an affinity for the camera that is pretty rare.

Tomorrow's opening programme begins with his description of his arrival in Dover 25 years ago, his fruitless hunt for a bed (we are lucky he did not turn round there and then and get back on the ferry) and a selection of the things he had

never heard of, including streaky bacon, Belisha beacons, Morecambe and Wise, *Gardeners' Question Time* and Sheffield Wednesday. He claims that after seeing a man who asked for 20 Number Six being given a packet of cigarettes, he assumed that all goods in newsagents were ordered by number, Chinese restaurant style. And he insists that, early in his stay, he discovered a sign beside a sink in the British Museum saying "Casual ablutions only please". I expect he means a basin.

In Programme 1 he is good on blue plaques, London cabs, and a bizarre system of "pointless tunnels" built under the houses of Liverpool by a man named Williamson. In next week's programme he notes that cricket is the only sport in the world to incorporate meal breaks (has anyone told him you can get four nights' sleep during a Test Match?) and expatiates on Blackpool which, he asserts, gets more visitors each year than Greece, has more holiday accommodation than Portugal, and leads the world in the per capita consumption of chips. Yet it becomes clear that he does not like Blackpool: a fact that somehow makes his coverage all the more admirable.

In *Hostage* Phil Craig, Mick Gold and Tim Pritchard set about the Beirut hostage story with techniques precisely similar to those used in the former Brook Lapping series *The Second Russian Revolution* and *The 50 Years War: Israel And The Arabs*, interviewing every survivor of any significance from all the countries involved, and raiding the archives for newswreel.

It is, of course, fascinating to hear the memories of those such as journalist Terry Anderson, who was held by Hezbollah and other terrorist organisations, and from their relatives, such as Anderson's sister,



An American in Blackpool: Bill Bryson

Peggy Say, who recalls becoming quite blasé about receiving regular phone calls at home from the men's captors.

It is moving to hear David Jacobson's account of listening to CIA man Bill Buckley coughing and dying in the next cell, and fascinating to be told how the detail of making imaginary journeys around familiar streets can help keep a hostage sane. But the most striking element of the first two programmes is the contrast that becomes apparent between the public and private attitudes of the western powers whose citizens were kidnapped.

The US, UK and France presented a united front to the world, declaring their determination not to do deals with hostage takers. But behind the scenes the Americans and French were simultaneously hard at work cooking up deals to extricate their own nationals.

The most cynical ruse of all was the use by the Americans of Terry Waite at the scene of successive homecomings by American hostages to suggest that his activities had achieved the release, when it was actually Oliver North's clandestine arms deals that were doing the trick.

There's nothing like facing the future for concentrating the mind on the past. With the new millennium looming, Radio 4 leapt into the history business with the *Today* poll on the man of the millennium past. The short list was highly un-PC (no women, no Scots), though the inclusion of Cromwell was doubtless a nod to some sort of radicalism.

In fact he was trounced, perhaps a sign of the doubt assailing the Blairite age as to a people's champion who abolishes parliament and who opts to replace the Lords with his own nominees. This despite the gallant advocacy of Lady Antonia Fraser who quoted Milton's sonnet to "Cromwell, our chief of men" at the drop of a hat, by an amazing coincidence the title of her best-seller about our last military dictator.

The chirpily shallow view of history was nonchalantly summed up by the remorselessly chirpy Lisa Jardine (custom-built pundit for Radio 4: chirpy, academic, all too easy to understand and female) and her like, who laughingly concluded that no lessons could be drawn from these historical polls, even while pointing out that Cromwell dispensed from guilt anyone killing the Irish, as the Irish were somehow sub-human. Some of us non-historians might have thought this century alone had taught the lesson – at Auschwitz, Cambodia, Kosovo and Rwanda – against writing off a particular race or creed as sub-human.

Radio 4 brought back *This Septent Isle*, marred by a bizarre howler in its trailer. A schoolmarish Anna Massey anticipated the Anglo-Saxons in "the fourteen-hundreds". She meant four-hundreds, but what's a thousand years in the current feverish preoccupation with

Radio A real feel for history needed

millennia? What puzzles me is the number of alleged professionals who let this trailer through: writer, performer, director, studio management, producer... Is there nobody in the BBC's punch-drunk ranks who gives a damn about accuracy?

A real feeling for history – that is, a knowledge of how it fits seamlessly into the present – was evinced in Radio 4's *Dr Graham's School*. Tim Jenkins visited a Bengali school founded at the turn of the century for the Anglo-Indian offspring of British tea-planters. The school still thrives for Anglo-Indians, its loving principles scrupulously observed, its old boys sporting names like Frank and Ginger and accents that we once thought so delightfully entertaining coming from Peter Sellers. Dr Graham showed the human face of colonial benevolence. "We never knew our mothers or fathers," said one alumnus, explaining the cries of "Daddy! Daddy! Daddy!" that greeted the doctor. Its present principal is called Lancelot, which seems in keeping with the school's ideals of friendship and fellowship.

The one worry is that the Anglo-Indian community may not be assimilated into modern India. One charming septuagenarian excused herself for still being more

Anglo-British than Anglo-Indian; but realised that things must change. Given the recent atrocities perpetrated by militant Hindus, now turning on Christians the cruelty previously reserved for their own untouchables, I keep my fingers crossed. This was a fascinating item about a little-known remnant of the Raj.

Christopher Reeve, the actor of Superman, talked to Peter White in *No Triumph, No Tragedy*, launching a series on disabled achievers. The bitter irony of the accident that paralysed him has been extenuated by the actor's courage in battling back against a broken neck. Other new series include *For One Horrible Moment*, Peter Bradshaw's reading of a modern mock-Gothic childhood memoir set in the Cambridgeshire fens and permeated with the despondent, black humour that evokes the American illustrator Edward Gorey. Wonderful pastiche, genuinely original (if that's not a contradiction). Other new arrivals include *The Patrick and Maureen Mayne Music Experience*. One of the treasures of ITV's underrated *Is It Legal?* is the exquisitely judged comedy playing of Patrick Barlow and Imelda Staunton. Here they are reunited as a poisonously estranged married couple presenting a truly terrible classical music radio programme – a mix of Kenyon-esque populism and Classic FM. The basic premise won't wash: radio has switches, knobs and controls – you don't hear the vicious bickering of presenters, ill-timed intrusions, the bleating of bewildered phone-ins. The radio equivalent of backstage comedy à la *Noises Off* is almost impossible to conceive. But never mind the plot, feel the acting.

Martin Hoyle

ARTS

Singin' and dancin' into movie history

Nigel Andrews talks to film director Stanley Donen about his legendary screen musicals

There are two movie truths universally acknowledged. One, *Singin' in the Rain* is the best screen musical number.

No wonder the film's director, Stanley Donen - that pocket-sized Hercules of the song-and-dance movie who also made *On the Town*, *Royal Wedding*, *Funny Face* and *Seven Brides for Seven Brothers* (plus non-musical hits like *Charade* and *Bedazzled*) - responded to his lifetime achievement Oscar last year with a song about bad weather. Not that song, but the one about it being a lovely day to be caught in the rain.

The Astaire-Rogers standard goes on about "dancing cheek to cheek", which is exactly what Donen did onstage last March with his statuette, touching the hearts of a billion televisioners across the globe.

"I only sang eight bars," he points out. "They only allowed me a minute for my response to the award. The idea of doing the song came to me one night in bed. I thought, 'What should I sing?' and started humming that tune."

He will get more than a minute to respond to acclaim this year. By divine coincidence 1999 is the 75th birthday of both Donen and MGM, the studio synony-

mous with song and dance. People in Culver City, birthplace of the "Ars Gratia Artis" lion, are already barricading their doors against flying champagne corks.

This man may be the greatest ever maker of musicals. He didn't just film the best shows or scores, he invented amazing ways to do so. He made Fred Astaire dance on the ceiling. He made Gene Kelly dance in the rain or with a cartoon mouse or in *Cover Girl* with his identical double. That last was done, he says, "by covering two entire soundstages with black cloth. Each movement of the first Kelly was marked with chalk, then we filmed the second Kelly around them, including the shot where he jumps over himself." This was in pre-digital 1944 - state of the art or what?

For all his films' flamboyance, there is little showbizzy or ingratiating about Donen himself. I learned this twice, to my cost. Once was during a recent interview in Hollywood, the other was six years ago at his Beverly Hills home, when I visited him for a 40th anniversary Q-and-A about *Singin' in the Rain*. Donen doesn't suffer fools gladly, and you sometimes wonder if he suffers anyone gladly.

"Oh my god, don't you

know that?" (When I ask him about the appeal of Cary Grant with whom he made four films).

"I think what you just said is so vague it'd be difficult to agree or disagree." (When I talk airily about the "through-choreographed" style of the MGM musicals). "It isn't funny at all." (When I giggle while raising the story of *On the Town* actor-dancer Jules Munshin, who suffered vertigo while forced to caper debonairly atop the Empire State Building). "I don't know if you have a phobia, but if you do you know that you have no control. Jules was very brave that day..."

At other times Donen can be docile, even expansive. He chose that Oscar song, he says, in homage to the man who first filled him with showbiz ambition. Donen was a small child when he saw *Flying Down to Rio* whose cast contained, in a supporting role, one Frederick Astaire.

"I was enchanted by him. Everything he did looked as if it had no effort but just happened at the moment. As I learned later, and it was a great lesson, everything was so thoroughly and exhaustively rehearsed that it just looked like he was doing it as easily as breathing."

The other great lesson was an anti-lesson. Young Donen hated Busby Berkeley's films, those ones where armies of elaborately dressed chorines twirled around, forming parade-ground patterns.

"Today I think they're quite spectacular, but as a young man I thought them stupid and silly and endless and inhuman. A thousand pianos, now we can do 1,000 bags of cement. Or 1,000 lampshades. I was quite negative about them. But I think ultimately that was very helpful, because it formed my style by giving me something to steer away from."

After *Flying Down to Rio* the boy who was already in love with cinema - he had been given a movie camera by his father - decided to fall in love with musicals. He hoofed on Broadway, then went to Hollywood and met Gene Kelly. "He asked me to be assistant choreographer on *Cover Girl*. Later we directed *On the Town* together."

Between the two came *Anchors Aweigh*, for whose best-known number Donen



'They were amazing years. Maybe that'll never happen again': Gene Kelly and Cyd Charisse in 'Singin' in the Rain'

The Kottel Collection

had one of his three-in-the-morning brainwaves. He woke Kelly at that hour to tell him he wanted him to dance with a cartoon mouse. "Nothing like it had been done before. I wanted to use Mickey Mouse, but Disney wouldn't let us. So we used Jerry from MGM's Tom and Jerry cartoons." Donen danced-doubled for the rodent during rehearsals. "I was nicknamed 'Mouse' for ever after."

Reports differ on whether the Kelly-Donen marriage was made in heaven or the other place. Donen denies he made one attributed remark which went "Substitute for the word 'co-direct' the word 'fight' and you have it."

"Gene and I were very different personalities who found in each other different things we responded to and liked. We weren't always seeing things the same way, otherwise it didn't need us both to direct. So 'conflict', not 'fight', is the word."

How, with half a century's hindsight, would he compare Kelly's dance style with Astaire's? "The pleasure you get from watching each is quite different and that's the joy of it. Gene was this wonderfully brash Irish-American go-getter-type fellow. Fred was a laid-back, sophisticated, suave, gentle mover. It's the difference between sliding across a room and jumping on a pogo stick."

Paradoxically, though, Astaire's best-known dance for Donen was a gymnastic, highly-wrought novelty

number - "Kellyish" in spirit - while Kelly's best-known dance was as smooth as silk and as simple-seeming as an Astaire solo. The first was *Royal Wedding*'s upside-down dance, that famous showpiece that called for a set with fixed tables and glued-in-place drapery so that Astaire could appear to dance up the wall and then across the ceiling, while actually the whole room unit revolved. The Kelly number was - what else? - *Singin' in the Rain*.

Like many great things, it came about by virtual immaculate conception. "I remember first discussing it with producer Arthur Freed (which had been used, like nearly all *Singin'* numbers, in previous movies). I said casually, 'Arthur, we've got this wonderful idea. Gene's gonna sing and dance in the rain.' It was as simple as that. The pleasure of just being alive, of being in love, and having nature hit you in the face."

It was less simple to film, he explains. "Like most night scenes shot in studios back then, it was done during the day under black tarpaulins pulled over the street. They were stretched from telegraph pole to telegraph pole. Black attracts heat, as you know, so these tarpaulins that were almost the length of a city block were heated by the sun pouring down on them, and the water was warm, and Gene and everyone was sweating. We had to do countless retakes even though he had a cold and ended up with a fever."

Donen had even worse struggles on *Funny Face*, his and MGM's last indisputably great musical. The photographer hero played by Fred Astaire was based on Richard Avedon, whom Donen wanted to supervise the film's lighting. It became a drawn-out power struggle with the movie's official cameraman.

"The cinematographer was terrified of Avedon, terrified that his authority was being challenged. In my opinion he was quite stupid about it. So Richard and I developed a sign language on the set. If he touched his tie or nodded or scratched his shoulder, it meant he wanted a particular lighting change."

"It wasn't funny at all," Donen says, when once

again I gave a rash chuckle. "It was a hellish situation and a miracle the film turned out as it did."

As a finale I composed an elaborate question on the death of the screen musical. I listed aloud half-a-dozen possible contributory factors and then asked the director if the genre's decline is the fault of these.

There was a deadly beat of silence. "Is it the fault of what?" I made a second attempt. Donen paused, lightly frowning, to unscramble. Then he launched patiently on a reply formed from 60 years' experience. "I don't think I can give an absolute answer. There may be something in the MGM musical back then that was peculiar to the

time. In the same way that the impressionists worked together and then disappeared, never to be repeated."

"Also part of it is circular. Musicals are not being made, so there's nobody to make them. If we had a continuing tradition, a work in progress of making song-and-dance films, there'd be tons of people to do it. They'd be trained up from childhood as we all were. Performers like Garland, Astaire and Kelly, writers like Gershwin and Irving Berlin, they did it from their youth. And producers like Arthur Freed knew everything about music yet never discouraged you from trying something new. They were amazing years. Maybe that'll never happen again."



Based on the photographer Richard Avedon: Audrey Hepburn and Fred Astaire in 'Funny Face'



'Dancing cheek to cheek' with his Oscar last year: Stanley Donen

How the Design Museum caught the eye of the Establishment

After a troubled decade, Sir Terence Conran's baby has finally grown up, reports Simon Tait

On April 1 1982 a spoof poster appeared on noticeboards around the offices of the Victoria & Albert Museum. It advertised a forthcoming series of shows entitled "Royal Flush", an examination of the history of toilets through such exhibitions as "Shut That Door! Swedish open plan lavatories", "Completely Potty, the Bauhaus and the chamber pot", and "Closet Queen - Queen Victoria and the WC: sketches, designs, diaries".

The spoof was poking fun at an experiment called The Boilerhouse Project, a Terence Conran initiative at the museum to explore the history of industrial design, but more than a few who saw the poster missed the joke as it fitted perfectly with their image of the scheme.

Undeterred by Establishment cynicism, Conran went on to turn his Boilerhouse Project into the Design Museum. Now Chris Smith has confounded those early scoffers and conferred national status on Conran's experiment with a £200,000 grant, the museum's first ever public revenue funding, putting it somewhere near the centre of the government's vision of a cultural Britain.

On Monday, Conran will announce that he is standing down as chairman of the museum's board to make way for James Dyson, the vacuum cleaner engineer who became an icon of industrial design success when he ignored universal rebuffs to his pleas for investment and established his own company to put his ideas into practice. The company is today worth \$650m. "I can't think of a better symbol for British design than James Dyson," says Christopher Frayling, Rector of the Royal College of Art and trustee of the V&A. And on January 20, the Design Museum opens its most ambitious exhibition to date, *Modern Britain*, which tracks the Art Deco influence in British design.



'Dog and Target' by Mark Tobey, 1934; and Royal Doulton's Acid Jug, 1937: two of the exhibits in the forthcoming 'Modern Britain' exhibition

It will be the first exhibition designed by the architect whom many describe as the arch-priest of postmodernism, Norman Foster. Sponsored by actuaries Bacon & Woodrow, the exhibition covers not only the architecture of the likes of Wells Coates and Erno Goldfinger, but also paintings, sculpture, graphics, furniture and textiles which, Foster believes, are as influential now as they were 65 years ago. "The Modern Movement in Britain, in a more mature phase, has never

been healthier or more vigorous" he writes in the catalogue. As it approaches its 10th anniversary, the Design Museum can afford to reflect with some satisfaction on a troubled decade. Conran didn't want the Design Museum to be just a department in the basement of the V&A. "He felt that we were not a decorative arts institution," says Paul Thompson, who joined the fledgling museum as a curator and is now its director. "We were the specialists in contemporary

industrial design and architecture." Still in the V&A basement, a 29-year-old lecturer in art theory, Stephen Bayley, was brought from the University of Kent. In the "white box" space, he put on some important shows, introducing us to the genius of Kenneth Grange, the co-founder of Pentagram; to the couture wizardry of Issey Miyake; to his "perfect car", the Ford Sierra; and to the creative potential of the shopping bag. "It was a bit of trade show,

but the truth is that there was nothing else providing a showcase for British contemporary industrial design," says Frayling. But Conran was thinking big. He wanted more than a white box. He embarked on a great adventure, to open as the Design Museum in a former warehouse in Butler's Wharf, on what he foresaw as a vibrant new south-side river community east of Tower Bridge. There were plans for the new Tate Gallery to move there, along with Vivien Duf-

field's children's museum, Eureka!, and the Royal College of Art's industrial design school. The magnet of trendy wharfdom would surely be too much for the cultural community to resist.

Resist it did, though, and when the £8m Design Museum opened in July 1993, it was a lone cultural voice. The Tate Gallery's focus shifted elsewhere, the RCA stayed put and Eureka! eventually settled in Halifax.

Mrs Thatcher opened the Design Museum by declaring:

"You shouldn't call this a museum. Museums are boring places". In a sense she was right. Bayley's notion was that a permanent collection was an unnecessary burden for the showcase of design, a forward-looking subject if ever there was one.

But the museum opened with *Commons and Culture*, an exhibition which failed in its purpose to establish a manifesto for design excellence. Disastrously few people went, and when it closed three months later Bayley had gone. "He was an instigator, not an administrator," says Thompson.

There were subsequently some key shows - *Graphic Design in America* and *Dutch PTT* were well reviewed - but Butler's Wharf failed as a cultural quarter, the tourists who had been expected to flood across Tower Bridge never arrived. Conran had to rescue the museum from collapse with a £2.2m special grant.

In 1992, Thompson was promoted with a brief to create a business plan for closure. "It seemed to me that if we demoted the place and gave it a more educational edge, we might be able to make a business plan for survival."

The Design Museum's turning point came in 1995 with a Frank Lloyd Wright exhibition which struck a mood and an educational need. "It was the first show which genuinely impressed scholars, with material from the US which had never crossed the Atlantic before. Visitor numbers began to climb at last and for the last three years the museum has made a small profit," says Thompson.

"We didn't really expect anything for the Design Museum because we couldn't see any future," Frayling recalls, "but it has become an indispensable educational resource now at all levels. A gauntlet has been thrown down on behalf of design and technology, and it has been picked up. I think we're catching Terence up at last."

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How to Spend It

Regular or fabulous? Your choice

Holly Finn sets out to add serious gusto to the job of spending it

Of all the questions you could be asked, one of the very best is: which do you prefer? It goes right to the guts of a matter.

Choose one. Yellow or subterfuge, Bose or Bang & Olufsen, alligator or ostrich, Karan or Klein, luxe wallpaper or plain paint. Hey, leather or lace. It's easier when it's Manichaeism; usually it's not.

The point of these pages is to cull the crowd and ease your choices, to leave the whole dough-spending experience. So from my fridge to yours, a cartoon by Roz Chast that appeared in *The New Yorker* some years ago: a picture of two petrol pumps, side by side, above one a sign reading "Regular", above the other, "Fabulous". The aim here is to spotlight the more noteworthy nozzle.

This weekend I take over as How To Spend It editor from Lucia van der Post. She has put

together these pages for 26 years and, in the time I have read and known her, has taught me much about style. She is a mighty graceful act to follow. I shall try.

For thinking people, deciding how to spend it, and then actually parting with money, can be as mentally wrenching as trying to order a regular coffee at Starbucks. If we feel mild-fibrillations, even all-out attacks, before handing over the big notes, it isn't because we're skinflints - necessarily. It's because what we pick to purchase matters. We are, in the end, what we choose.

The great thing is that every item, like every person, has a story. A furniture-maker chooses to use willow and ash

toes, rather than lacite, for a reason. Those who mix perfumes and potions to match the essence - the olfactory gist - of a person are making a point. Even sweaters can be tale-tellers.

Goods that are worthwhile are the same as people who are. They don't sidle up to the bar and slur at you, cataloguing their plusses. They are, simply and with reason, hard to resist.

As a friend from California's Napa Valley says about wine: you know a good vintage when your hand reaches for a second glass without thinking. These pages try to give you a taste of things - their look and smell and texture - but it is always your hand that decides. Sprited efforts at earning are

what make possible the devilish fun of spending. Is this buying of things just whimsy? Well, are we invertebrate? Isn't there more to it? The particular gadgets and gizmos, shirts and skirts, dreamy creams and buttery leather-works that appeal, the ones we are compelled to pinch from the shelves, matter to us. But why?

In a speech he gave to Illinois in 1842, Abraham Lincoln weighed in on the topic: "It is said by some fast men will think and act for themselves."

Let us examine this. Let me ask the man who could maintain this position most stiffly what compensation he will accept to go to Church some Sunday and sit during the sermon with his

wife's bonnet upon his head? "Not a trifle, I'll venture. And why not? There would be nothing irreverent in it, nothing immoral, nothing uncomfortable - then why not? Is it not because there would be something egregiously unfashionable in it?"

What is the influence of fashion but the influence that other people's actions have on our actions - the strong inclination each of us feels to do as we see all our neighbors do?

Now, Abe was a smart man, but he dressed like a Transylvanian naber. There is a reason these pages are not called *Where To Spend It* or *Whether To Spend It* or *Go Ahead, Spend It All*. Or, *C'mon*

'n *Covet Thy Neighbor*. They're called *How To Spend It*. Because how you do things - how you think, walk, speak to waiters, how you go about picking your purchases and distributing your ducats - is telling. It's got less to do with the Joneses than with you. What makes you different makes you better.

Which is why, talking about style of all sorts, these pages aim to be crisp not cryptic, smart not snugary, rightly to gauge what will interest and distinguish you. They are intended for those keen on extraordinary things, not on being duped.

A fool and his money are soon parted, a sage and his not long after. We are writing for the latter, to add serious gusto and



Holly Finn: 'How you distribute your ducats is telling'

hopefully some insight, to the business of your spending. Which do you prefer? What a question.

Whiff of success for a skin doctor in essence

Reggie Nadelson talks to a Florentine perfumer

I am in Florence and an Italian is sniffing my arm. Between whiffs, he talks about Cherie Blair, how pretty and smart she is. This is not as odd as it sounds.

Lorenzo Villorosi is a perfume-maker who creates customised scent. Up here in the penthouse of his medieval palazzo - you can smell it half a block away - is a room with a staggering view of Florence and a thousand bottles of scent to work with, including amber, *sapores di mare* (sea smell), tobacco, grass, vanilla, iris and chilli pepper.

The British prime minister's wife has stopped by on a couple of occasions. When she was in search of a gift for the Queen at Balmoral, Villorosi suggested she take the red travertine marble dish with some poppourri. Scent, Italian-style, has a power that crosses borders. Everybody is different, says Villorosi. His job is to identify the essence of that individuality and enhance it. "It's the most interesting part of my work," he says. "People tell me everything about themselves, who they are, the signal they want to give, the atmosphere."

"Fragrance is like clothing. I build it up a layer at a time. I think of myself as a scent doctor." Villorosi grins at his own hyperbole. Still, he adds, "Everyone comes. Rich, poor, students, ambassadors. Jackie Kennedy was a client."

At 42, Villorosi is more alchemist than simple scent-maker. A modern Renaissance man, he reads philosophy, cooks, speaks several languages, travels, and collects pop music from the 1950s and 1960s (Petula Clark is singing "Downtown" while he attends to my arm).

But Villorosi is also in business. From his studio he sells the perfume, as well as the soap, the poppourri and the scented candles in white alabaster pots to the best stores in Japan, Hong Kong, Europe and the US. In London, the LV line - exquisitely packaged in the dark blue crystal bottles Villorosi designed himself - sells at Fortnum & Mason, the White House and Liberty.

Villorosi reckons his business is worth about \$1m now. It's growing quickly and, he laughs, "the margins are good. I like the idea I am a merchant. But my friends, of course, thought I was completely crazy when I began. I was supposed to be a serious academic."

Villorosi's father was a historian and man of letters. Only his mother didn't think her son completely nuts. But then, Villorosi's mother is a remarkable woman. In the late 1940s, she set up a shop selling Italian goods in Cairo. "Before King Farouk fell," she says, "everyone went to Cairo."

Villorosi was born and grew up in and around Florence. The Villa Villorosi, just outside the town, sits in its own lush gardens, the lemon trees heavy with fruit. The villa has the longest loggia in Italy, and the rooms of this summer palace are all brilliantly frescoed. For years, the family has run it as a hotel. Villorosi often finds ingredients for his poppourri - some spicy, some floral - in the woods nearby.

After he read psychology in Florence, Lorenzo worked his way round London, Paris and Jerusalem studying ancient philosophy and religion. In the Middle East, he collected spices for cooking and a collection of ancient bottles. When he



A modern Renaissance man who is multilingual, reads philosophy and was expected to become an academic, Lorenzo Villorosi says: 'I think of myself as a scent doctor'

came home, his friends started asking for special "essences".

Florence has always had a tradition for perfume-making. Modern perfume was first made in 1570 at the command of Queen Elizabeth of Hungary. ("My

'I like the idea I am a merchant. But my friends thought I was crazy when I began'

grandmother was Hungarian," points out Villorosi.) But perfume really took off as an art in Renaissance Florence. Catherine de Medici took her personal perfume to France when she married the future French king, Henry II. Now, in a sense, perfume has come home.

In the early 1980s, Villorosi says, a friend who worked at Fendi, the Italian design house, needed scented candles. Placing an order, she asked: "What's the name of your company?" He invented a name and went on to make private label goods for Emporio Armani, Paul Stuart in New York and Lana Crawford in Hong Kong.

Villorosi experimented with plants, reading books, making tinctures, fiddling around with distillation equipment. "Mostly what I made was a mess," he groans.

By 1990, Villorosi was in business. He built perfumes for individual clients, and designed crystal bottles and leather cases, as well as the travertine dishes for the poppourri. His scents became an international cult. He has a staff of five now, as well as several consultants, and has built a new laboratory near his family home.

For part of every year he travels the world. From time to time, like a Medici magician, he turns up in New York, Hong Kong, London,

showing his wares, demonstrating his facility for customised scent-making.

In the past few years, says Villorosi, people have started to want specialist perfume. "They do not want things they can buy in a duty-free shop at any airport."

This is a family business and Villorosi's partner is his wife Ludovica, a spirited, warm woman of Russian descent - her grandfather fled the revolution and settled in Italy. A Renaissance beauty with pale red-gold hair, Ludovica speaks half a dozen languages fluently.

When she met her future husband at a party in Venice, she was running her family's farm near Padua. After a few years of commuting, she moved back to Florence where she had grown up and married.

The summer before last, Ludovica was in old jeans painting the studio wall when the buzzer went. It was August, Florence was shut up tight.

Ludovica ran down the stairs and, she recalls: "There was a good looking dark-haired woman at the

door. She said she had read about us in Britain. I said we were closed. She said she really wanted to buy some of our things." Ludovica laughs.

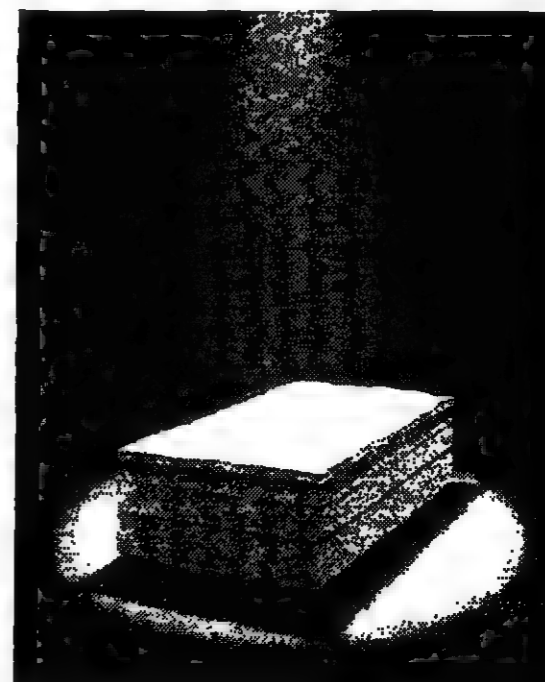
"Suddenly, I realised who

it was. Cherie Blair bought some Christmas presents and invited us to their villa."

This year she made a return visit. "I tried to be very cool," Ludovica grins, "but it was a bit hard to do

when she asked me what I thought would be nice to take to the Queen." ■ Lorenzo Villorosi, Villa de' Bardi, 14 50125 Florence; tel: (055) 284 11 87, fax: (055) 284 58 25.

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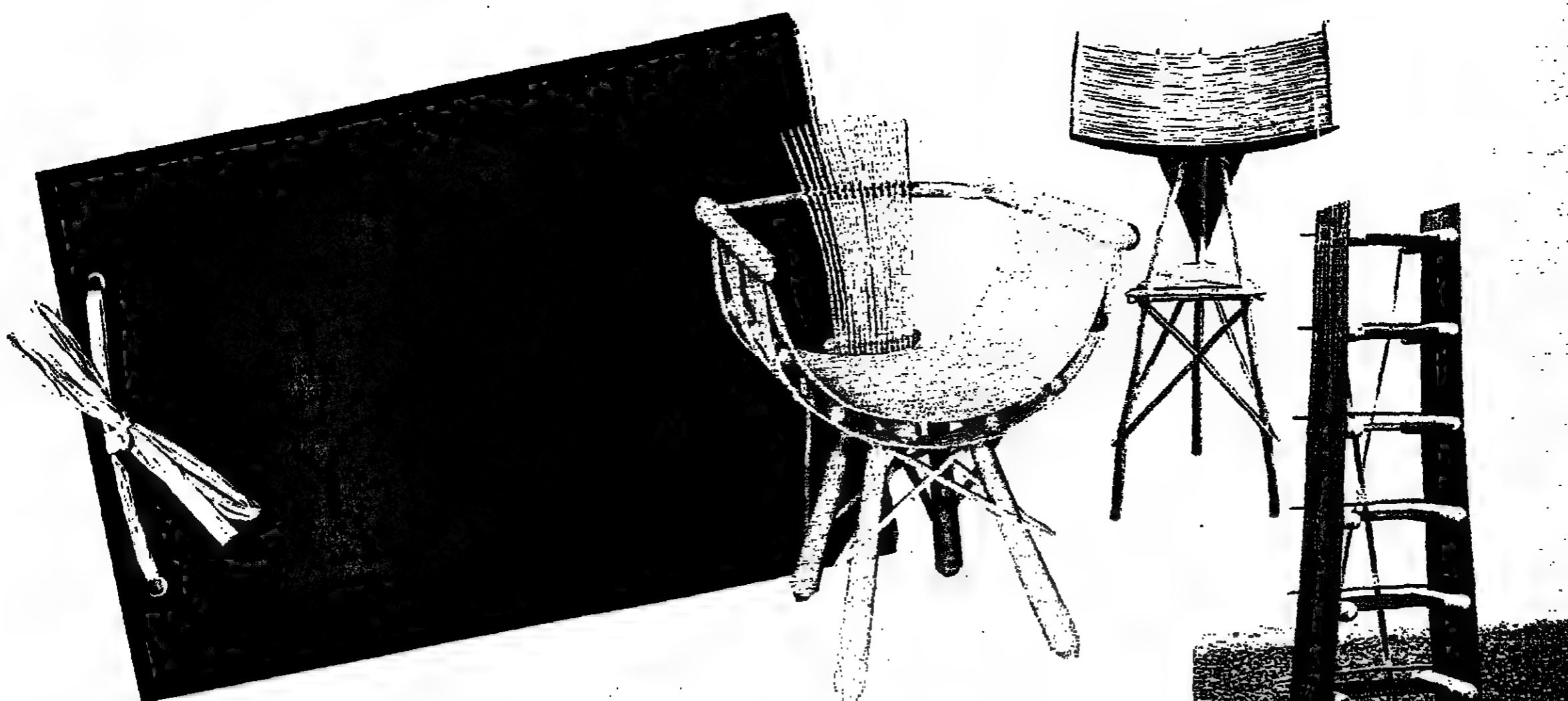
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HOW TO SPEND IT



Weaving a magic wand

Clive Fewins admires furniture made from ash and willow

Guy Martin tells the story of a general practitioner friend who commissioned him to design a practical but "different" consulting room chair. It had to do the basics, like provide for good posture. It also had to do something more abstract: make the doctor seem more comforting. Patients should be encouraged to regard the chair as part of the "healing process".

"It took me 2½ years to get it right," says Martin. But, he adds, "the development process produced a lot of ideas that I fed into other furniture designs, and a variant of the chair - I call it my 'cathedral' design - is now my best-selling item".

Martin has been developing his designs for three decades. In early autumn, he leaves his home each

week in a Somerset village on a foray to coppice ash in nearby woodlands. A little farther away, on the Somerset Levels, he buys willow from local grocers - either in batches with the bark left on, or in wands that have been boiled and stripped to a clean white colour.

From these primitive sources, Martin makes sculptural ash and willow furniture. Despite the cheap and rustic materials, his work is anything but traditional.

The shape of his chairs is minimalist. After spending most of his life as a designer, teacher and sculptor - 35 years as assistant to sculptor Sir Anthony Caro and six years as chief design tutor at John Makepeace's nearby Parnham College - one of his main objectives is to reduce his designs even more to essentials, to elemental shape.

"My aim is to get every aspect of the object correct," says Martin, 53. "This means understanding people's needs and producing a piece that is ecologically sustainable and naturally processed, made without resorting to chemical adhesives and in which every part of the design does a job."

Martin does not believe he has yet achieved this in all his designs. But it is only 2½ years since he started Guy Martin Furniture.

After leaving Parnham, he sold most of the woodworking machinery he had acquired. To make the chairs, stools, tables and other items that now sustain his one-man business, he decided to use only a bandsaw to shape the rough pieces of ash and an electric router to fit the willow seating and backs into the ash frame.

The ash spars are finished with an electric drum sander, but the rest of the work is done by hand. Martin will not use a lathe to turn the ash legs and spars. "A turned object loses its hand-made richness," he says.

He has rejected woven willow in his furniture, part of a conscious attempt to get away from using the material in a conventional way. The strength for which willow is noted is given to his rockers, recliners and dining chairs by a process he calls "dry lamination". All his chairseats have two skins of willow separated by ash batons, which create the curved element and give the seat its great strength. "The effect is that of a box girder bridge," says Martin.

Every element in his furniture is structural. Any aesthetic appeal comes from an appreciation of the

work each piece is doing. "People tell me my pieces have a Japanese feel, but I have never been to Japan," Martin says.

"Certainly they incorporate the Japanese ideas of honesty to materials, processes and needs. However, because it is not driven by aesthetic I think my furniture has more of a Shaker feel to it."

"I like to feel my chairs embrace the human form - they have arms, necks, heads, seats, legs and feet. On their own they have a human presence without a human being there." Whether or not Guy Martin's furniture strikes you as human, a piece of it does have a curiously healing effect.

Prices range from £275 to £575. Guy Martin Furniture is at Crown Studios, Old Crown Cottage, Greenham, Cricklade, Wiltshire, BA18 8QE. Tel: 01308-868122.

Left to right:
 □ "Cathedral" chair, in coppiced ash and cultivated willow, £450
 □ Music stand/book stand/lectern, in ash and willow, £475
 □ "Stave" storage for 100 CDs, in ash and willow, £240

Fashion

Bold comfort for the sweater set

Designers are making trend-setters of classic cardigans and tank tops, writes Karen Wheeler

Knitwear is not what it used to be. Traditionally a safe, easy purchase, now it is just as likely to be frivolous as functional. Who would have thought that the classic twin-set could become a trend-setter?

Lainey Keogh helped push the boundaries of knitwear, by proving it could be worn for evening. Labels such as Majo, Lucien Pellat-Finot and Rebecca Moses have done for cashmere what Sir Terence Conran did for the sofa.

Before Pellat-Finot and Co, cashmere styling was pedestrian - a roll-neck sweater was as daring as it got. But now funky, striped sweaters, sexy cropped cardigans and camisoles, and bold use of colour are the norm. The two newest names to note, Martin Kidman and Sara Dearlove, have raised the game considerably.

Both have a good pedigree, having worked for Joseph Ettedgui on the highly successful Joseph Tricot range before starting their own collections. Their styles, however, could not be more different.

Kidman's knitwear has a more artistic and decorative feel. It comes in delicious

colours, with designs laced through with ribbons, delicately hand-embroidered with flowers or sprinkled with sequins. A typical garment is a lacy lilac top with a ribbon trim at the neck.

The appeal is in the detail: Kidman does bolts, ribbons, buttons at the shoulder, or delicate ties that make all the difference, explains Paul

Kidman's cardigans are a must-have among the smart crowd living in Brompton Cross

Sexton, co-owner of Koh Samui in Covent Garden. The minutiae are carefully calculated, with lots of hand-finishing and exactly the right proportions and balance, says Manami Sloley, whose shop Tokio in Brompton Road was the first to stock Kidman's designs.

His little cardigans are a must-have among the smart

crowd who inhabit the fashionable Brompton Cross area of London (Tocca shirt dress and tiny bag territory). Kidman has also been gaining a following among fashion cognoscenti. Kate Cashaw, (Mrs Steven Spielberg), Courtney Love, and Helena Christensen - who once declared that the most wanted item in a woman's wardrobe was a Martin Kidman jumper - are all fans.

Kidman, 37, was snapped up by Ettedgui at his degree show for St Martin's School of Art in 1986. He worked at Joseph for 10 years, finally as design director for the Tricot range. He still makes the floral-patterned hand-craft style sweaters, synonymous with Tricot in the early 1980s, for private clients. Meanwhile, his own-label designs are wide-ranging and quintessentially English. He does everything from delicate camisoles to chunkier cable knits.

His recent winter collection was called Jackie O Goes To Aspen: his current spring/summer collection is inspired by the early 1990s and features tongue-in-cheek styles alongside the covetable lace hand-knits and refined cotton sweaters.

These include one shoulder tops emblazoned with palm tree or Cadillac motifs and Joan Collins-inspired navy and fuchsia tops - not to everyone's taste, but amusing nonetheless.

A visit to his showroom gives clues to his quirky style. It is not the usual

stark designer showroom but is exceptionally pretty with pale blue walls, a rose-patterned rug on the striped white floor and dainty antique chairs. Arranged artfully around are his junk shop finds.

Kidman - who is also knitwear consultant for high street retailer Jigsaw - always has an eye towards the next big thing. Though florals featured strongly in last summer's collection, he now pronounces himself sick of flowers. Instead, he sees a return to the romantic style

epitomised by Lady Diana Spencer in her Earl's Court flatshare days. That pie-crust frill shirt of the early 1990s suddenly looks absolutely right, he declares.

Sarah Dearlove's knitwear is not as instantly arresting as Kidman's, but has connoisseur appeal. The Comme des Garçons of the knitwear world, her approach is esoteric, her garments complex. A typical design is a black or cream sweater of luxurious 8-ply cashmere, twisted seamlessly around the body to create an asymmetric effect.

Her small collection includes technically constructed pieces and shapes that have never been seen before. Her sweaters twist around the body in an unbroken rib, allowing her to abandon shoulder and side seams. In contrast to the styles that fit like a puzzle,

she also does plain pieces reduced to complete simplicity. Rich-woman-in-a-ski-resort is how she describes the look.

Dearlove's most popular design is a long ribbed cardigan which hangs off the shoulders like a shawl and looks as if it has been made from one piece. Most of her designs come in taupe, cream or black: the designs are so complex it is best to stick to neutral colours, she explains, adding: "I will always have a crew neck and a V-neck in my collection, but they will not be like everybody else's." Her ambition is to create the perfect seamless cashmere sweater.

Like Kidman, Dearlove, 26, is a graduate of Central St Martin's. Upon graduation, she was immediately employed by Joseph Ettedgui after a tip-off from Andre Leon Tilly of American

Clockwise, from top left:
 □ Fuchsia pink sweater, £340, white embroidered skirt, £285, by Matthew Williamson at Browns, 23-27 South Molton Street, London W1 (tel: 0171-253 4200)

□ Pale pink cashmere sleeveless top, £218, by Martin Kidman at Tokio, 309 Brompton Road, London SW3 (tel: 0171-614 0016).

□ White cashmere embroidered cardigan, £405, cashmere top, £267, by Matthew Williamson at Browns, as before. Nude sweater with gold sequins, £330, by Martin Kidman at Tokio, as before.

□ Nude sweater with gold sequins, £330, nude twill hipster trousers, £78, by Martin Kidman at Tokio, as before.

□ Burgundy merino wool tank top, £38, matching merino wool skirt, £38, by Sara Dearlove at Browns, as before.

Photographer: Daniel Ward
 Stylist: Selina Larsson
 Model: Laura Runcell at Storm
 Make-up: Jane Bradley at the Wax
 Hair: Raphael at Michaeljohn

Vogue. Dearlove was hired to work on the Tricot range, with the specific brief to reinterpret the famous Joseph rib.

Since then she has been hired as a consultant to the knitwear division of cult label Tocca (her influence will be seen in the autumn 1999 collection). Based in San Francisco, Dearlove is a name to remember.

Although not a knitwear specialist, Matthew Williamson also deserves a mention. His spring collection contains some of the best knitwear around. Sparkly twin-sets spun from delicate one-ply cashmere in orange, fuchsia, or white (pure Snow Queen) are irresistibly ultra-modern, as is his V-neck sleeveless tank in orange cashmere with fuchsia Lurex trim.

Received wisdom may be that, come the millennium,

we'll all don futuristic, sci-fi clothing. But it is the home-spun cardigan and sweater - going boldly forward in a comforting way - that are here to stay.

■ Martin Kidman at Tokio, 309 Brompton Rd, SW3 and Koh Samui, 65 Marmouth St, WC2. Sara Dearlove at Browns, 23-27 South Molton St, W1.

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FOOD AND DRINK

The new year starts in Paris for Nicholas Lander, who visits Taillevent, and Anissa Helou, who tries sweetbreads

Offal good news from France

Offal has become a dirty word. Or at least, it has in England. Not surprising, really. Originally, offal was referred to as garbage and if you look up *garbage* in the *Oxford English Dictionary*, you will find it defined as "the offal of an animal used for food; esp. the entrails". Indeed, as early as 1911 *Encyclopaedia Britannica* gives a definition as "putrid, flesh, carrion".

In spite of the unappealing name, offal used to be much appreciated in England. The taste for it started to wane after the second world war, when people ate a lot of it because it was not rationed. When meat became more widely available, people started turning away from offal.

Recently, the BSE crisis affected offal sales and many cuts are no longer on sale in England, including lamb's heads, brains, feet and even oxtail. As a result, few restaurants have offal on their menus, except for those whose taste for what food writer Jane Grigson described as "the basis of many of the most delicate and delightful dishes it is possible to make" is still unaffected by fashion or health concerns.

The situation in Paris is very different. Not only will your local butcher or tripeur supply you with any offal you fancy, but the great French specialties are still firmly on the menu.

At Chez Georges (+33 1 42 60 07 11), a charming bistrot just off Place Vendôme, the menu includes *salade de museau de bœuf* (beef snout salad), *ris de veau aux morilles* (veal sweetbreads with morels), *rognons de veau grillés* (grilled veal kidneys) and *piéds de porc desossés et grillés* (grilled boned pig's feet). The *museau* salad, which came in a large *saladier* for us to have as much as we wanted, was beautifully seasoned with enough vinegar to lift the bland, gelatinous meat.

The sweetbreads were cooked to perfection and bathed in a light, creamy sauce with a generous garnish of morels. The kidneys were perfectly crisp on the outside and very pink inside, while the pig's feet were rolled in a luscious, crunchy *chapeau* (breadcrumb) and, even though they had been boned, they looked as if they had not been touched.

Sadly, *lits de veau sauce grise* was not on the menu that day but, according to the friend who accompanied me, when it is there it is one of the best versions in Paris.

Not far from Chez Georges, in les Halles, is Pharamond (+33 1 42 33 06 72), where famous for his *tripes à la mode de Caen*. The Pharamond family brought the recipe with them from their native Normandy in 1832. It is still prepared today as it was then: rinsed under a trickle of cold water for 24 hours, then blanched in four changes of water before being cooked with carrots and beef feet in white wine and spices for another 26 hours. It is served over a

charcoal brazier so the tripe stays blistering hot. If you are a slow eater, the waiter will bring back the brazier. Definitely worth a visit, not least because the interior has remained unchanged since it was redone for the Exposition Universelle of 1900.

Further east, in La Bastille, the *quartier branché* of the moment, you will find Le Pied Rare (+33 1 43 79 87 06), a simple establishment but the only one in Paris to serve one of France's culinary treasures: *piéds de porc à la Sainte Mennehoule* (pig's feet that have been cooked for so long, over 24 hours, that you can eat the bones).

The recipe is a secret and only Rebillard fils, ironically a vegetarian, has it. It was given to him by his mother. She, in turn, was given it by a Mr. Piarard who had worked at the Hotel Baxinet in Sainte Mennehoule where General de Gaulle used to order trotters. While there, Piarard managed to coax the recipe from Mme Baxinet.

Within walking distance from Le Pied Rare is Le Passage (+33 1 48 29 97 64), another unique place, the only restaurant in Paris to offer a choice of seven *andouillettes* (chitterlings), each from a different region. I can especially recommend the mellow-tasting *andouillette Lyonnaise*, made with *fraîche de veau* (veal mesenteric, or intestinal membrane) although the other two I tasted, a smaller one with herbs from Normandy and another cooked en *fraise* with sweetbreads, were good, too.

Back to the 7th arrondissement and the Montmartre (+33 1 45 55 01 90), a small Lyonnais *café-comptoir* whose owner worked for Bocuse, for a great specialty from Lyons, *le tablier de sapeur*. The *tablier* is a large piece of tripe that is boiled, breaded and then fried or baked. You could almost mistake it for an *escalope maitre d'hotel*. If you are squeamish about tripe, but still would like to try it, this dish is your best introduction, especially at the Montmartre.

Finally, at a restaurant where the atmosphere is so warm and old-fashioned that you could easily think you are in one of those old films with Simone Signoret and Yves Montand, sitting and smoking in a corner - Le Restaurant du Marché (+33 1 48 29 31 55), Christian Mada, the chef-owner, buys most of his produce directly from farms in the Sud-Ouest. He serves *salade de poireaux confits* (goose gizzards), goose heart stew, *cigouillettes* (the flesh that sticks to the breast bone of the goose, which is sweet-sour offal) in an exquisite sweet-sour sauce and, of course, *fabulous foie gras*, either en terrine or en *escalope*.

Is it too much to hope that offal will return to more English menus?

For further information: Le Paris des Envoies Gourmandes (BPM Flammarion 1998, FRP79), Le Fudis de Paris Gourmandes (Editions Mazarine 1999, FRP110).

N.L.

A.H.



Jean-Claude Vrinat in his wine shop. Taillevent is the only one of the 21 three-star restaurants in France owned by a restaurateur, not by a chef. Paul Cooper

Pleasures that add up to three-star success

The receptionist at Taillevent, the three-star Michelin restaurant off the Champs Elysées, smiled, bowed, ticked my name off his list and handed me over to the *premier maître d'hôtel* who led me through the first of three plush dining rooms, built for the Duc de Morny in 1853, to a corner table where I sank into a banquet.

I was handed a large linen napkin, a copy of a most beautiful menu and a mini vintage chart - one of which was considerably placed on every table - and I was told that Jean-Claude Vrinat, Taillevent's owner and one of the world's most respected restaurateurs, would be with me shortly.

Vrinat duly arrived, smiling as ever, having just made sure that the customers at the other 17 tables were as he would wish and as comfortable as they would want to be. He is 63 but looks younger, with only the red ribbon of the *Légion d'Honneur* on his suit to mark his achievements.

An almost boyish expression crosses his face whenever he talks about his passions, such as the gardens of Sussex, Kent and Scotland, and, above all, the food, wine and restaurants.

Before I could ask him about any of this, there was the small matter of what we would eat. Vrinat quietly suggested that I leave the choice to him. We would begin with two first courses, a mousse of sea urchins followed by sautéed scallops with grated black truffles. Then, because it was in season, we would share the classic hare à la royale. Next to the table were two burgundies, a 1986 Chevalier Montrachet from Deleger and a 1995 Volnay from de Montille. I was in the best of hands.

A question was on the tip of my tongue when two small bowls arrived. "A little watercress soup to begin with because it is cold outside," Vrinat explained. I gratefully accepted the dollop of *crème fraîche* and caviar that accompanied it.

In the age of the super chef and the growing number of large restaurant groups, I asked whether there was still a future for the independent restaurateur.

"I think so," Vrinat replied. "Although I am aware that today Taillevent is the only one of the 21 three-star restaurants in France owned by a restaurateur, not by a chef. But the situation is changing and the top chefs, such as Alain Ducasse and Paul Bocuse, who are running more than one restaurant, spend less and less time at their stoves and are gradually being transformed into restaurateurs themselves."

"They realise that to be successful, to make sufficient profit to invest continually to maintain standards for the customers, you have to be demanding, to watch every detail."

Vrinat sets a good example by arriving, with his wife, at Taillevent each weekday at 8am and leaving after midnight, a routine he has followed for the past 35 years since leaving business school. "The early morning is crucial," he says, "to check taxes and reservations and to inspect the product."

Taillevent is exceptional in that all its staff are French. In its 53 years, the restaurant has had only four head chefs (one of whom stayed for only two years) and a loyal staff - the barman has been pouring drinks for 32 years while the *premier maître d'hôtel* started as a 16-year-old, 35 years ago.

When Vrinat excused himself to take a phone call I imagined how easy it would be to sit here

quietly as revolution raged outside. On his return, I asked him about May 1968, the year of the student riots in Paris. "We carried on as usual," was his reply. "Everyone came to work, although business was down by more than 50 per cent."

"Quite simply, a restaurant is a team effort and no part of what we do can let the rest down. For the customer and for me, the waiting staff have to be as good as the kitchen, the pastry section has to be the equal of the *sommelier* and the wines we serve. Achieving this, seeing my customers leave happy or receiving their thank you letters, are the reward."

Another reward is greeting returning customers. Near us were two tables of Americans who visit Taillevent whenever they are in Paris and who always leave the choice of menu and wine to the *maître d'hôtel*. At lunchtime, 70 per cent of the customers are French, 80 per cent at dinner. Three-quarters of lunchtime bills are settled by account. However, there is a regular flow of tourists, who will have booked more than a month in advance for dinner. For a lucky few, Taillevent is the ultimate executive dining room.

Vrinat has, however, ensured continued pre-eminence by an extraordinary devotion to detail. "When a young chef comes here I am not interested in what he has cooked before. I never ask them

to copy someone else's recipe. I am only interested in the skills they have or which they may have absorbed from working in other great kitchens. The discipline and organisation of working with Joel Robuchon, for example, or the family atmosphere and humility chef Pic in the Rhône."

"With that frame of mind, we

'I realised that to offer the best wines at the best prices I have to buy as soon as the wines are released'

can develop our menus which we change about five times a year, never putting more than two or three flavours into one dish or you risk overpowering the palate."

Vrinat seeks the same refinement in his wines. Over the past 35 years, he calculates that he has bought more than 2m bottles and he feels this has given him even more excitement than food. When in Paris - but not in the restaurant - he is invariably in

his nearby wine shop, Les Caves Taillevent, where the computer screen-saver displays the pebbles of the Châteauneuf vineyards. At the weekends, when Taillevent is closed, he is off tasting in the French vineyards with his wife without whom, he romantically adds, he neither tastes nor buys wine so well.

"Twenty-six years ago I was standing in the cellars of Robert Jayer Gilles in Burgundy and I tasted what I thought was his best barrel. "When I tried to buy it I was told it had been sold to an American wine merchant and I realised that to offer the best wines at the best prices I have to buy every year as soon as the wines are released. The restaurant has 300,000 bottles stored away in two cellars around Paris, but today I am concerned that whenever I visit those regions of France offering the best value, such as the Languedoc, Roussillon and the areas around Bordeaux such as Côte de Francs, the French buyers are continually being beaten by British and American wine importers."

As a result of his expertise, Vrinat receives about 50 business proposals a year to act as consultant, to become a partner or to open the second Taillevent. So far, he has only accepted two. The first is in Tokyo where Japanese investors put up all the money for Vrinat and Joel Robuchon to open a restaurant, *bow-langerie and pâtisserie* and a wine shop within a reconstructed French *château*.

Subsequently, he has advised on the relaunch of Prunier, the famous fish restaurant, but this arrangement is coming to an end. "Restaurants must come from the heart," he explained.

There were now three desserts on the table - a caramel ice-cream, a chocolate marquise with a pistachio sauce and some very alcoholic marinated cherries. I felt slightly awkward, having saved the most sensitive, personal questions for the sweetest part of the meal. But I wanted to know how, living perpetually in a world of fine wine and food, he stayed so slim. Vrinat laughed. "There is no secret except I never finish a meal without cheese and dessert." He noticed the surprise on my face and politely repeated his trade secret.

Then there is the question of his succession. His daughter, Valérie, runs the wine business but who will keep alive the *esprit de Taillevent*? Vrinat kept smiling. "I have the same enthusiasm and passion for this restaurant today as I had when I started 30 years ago. I have no intention of retiring and when the time comes for me to stop, a solution will present itself. The right person will come along."

There even seems to be a reluctance to bottle some of the obvious sites, such as the fabulous vineyard below the castle at Pédas, which chiefly belongs to the local co-op, Proton.

There are exceptions: Grandès Bodegas makes a good-value Villa Lobón, and Pérez Pascuas is ready to market a more expensive single-vineyard wine, which will be as lip-puckeringly tannic as all the others they make - they work in futures. One thing is certain, only very few vineyards have been planted in the right places for optimum quality.

The youthfulness of most of the vines means that there is the world of difference between the younger *juven* (young) or *crus* (oak aged) wines, and the *reservas* and *gran reservas*, which receive the better fruit from the older vines. You could see that clearly at Valduero: the wines to buy were the *reserva especial* and the *gran reserva*. But (and this is generally the case in Ribera) neither is exactly cheap, the latter would cost about £25 in Britain.

We sampled a couple of vintages of Pésquera - a juicy 95 and a tough 94 -

area had grown 20 per cent in the past five years. In 1984, there were just six bodegas in Ribera. Now there are more than 100. Vines are being planted just about anywhere, on the most unsuitable, heavy soil, because farmers are certain of selling grapes at anything between Ptas300 and Ptas400 (£1.35 and £1.65) a kilo. Proper soil analysis is only just beginning and there are precious few single-vineyard

and amid the turbulent atmosphere of the fiesta in Aranda de Duero, we drank a bottle of 1986 Vega Sicilia. After their trugulence I wanted to dislike it, but I couldn't: it was rich and sinewy, and smelled of bitter cherries

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Is Ribera Spain's answer to Pétrus?

It may be 20 to 30 years before we find out, says Giles McDonogh

The words Ribera del Duero have been tripping off every tongue in the wine trade for some time now - the latest addition to every list. Even the keenest hispanophiles only became aware of the wine as recently as the late 1980s. It was about then that Robert Parker tasted Tinto Pesquera and pronounced it Spain's answer to Chateau Pétrus.

At the time, we scrambled to obtain samples of this prodigy: not quite Pétrus, we decided, but impressive, modern and quite unlike the soft, vanilla-scented wines of Rioja. While we were appraising Pesquera, we began to take an interest in the thin trickle of fermented must emanating from the region.

Ribera del Duero is not really new. Vega Sicilia has been around since 1864. It is Spain's grandest, rarest,

most expensive wine; it is Lafite, Latour, Pétrus, even, all rolled into one. I remember the late Alexis Lichine telling me of his passion for Vega Sicilia over tea in Claridge's. In the 1950s, he and a friend used to motor down to a bottle of Vega Sicilia and go to a restaurant in town where they had a ram that rapped the ewes all year round, and there was always baby lamb on the menu.

He had more luck than we did. For us, the doors of Vega Sicilia were closed and bolted. Only the lamb was available, grilled on vine prunings or prepared in a baker's oven, and served with bread and a little salad: in this part of Spain, there

have been few alterations to the gastronomic staples since medieval times - they are still resisting the potato. Besides Vega Sicilia and before the DO was created in 1982, wine-making was old-fashioned. Ribera is a clay and limestone plateau surrounded by table-top hills, and split by the Duero or Duero River. Agriculture must always have been mixed here, but a little wine was a *sine qua non*, chiefly rose: it went best with baby lambs.

In Franco's time, corn gained the upper hand, and people forgot the slightly astringent wines made from the Tinto fino, alias Tinto del país grape. This is a mutation of Tempranillo - Spain's top black cultivar, said to have been carried into the country in the baggage of Cistercian monks.

Some people like to believe that Tempranillo is itself a mutation of Pinot Noir, a grape which flourishes in Burgundy - and Burgundy is also the origin of the Cistercian order. I am sceptical. In Ribera del Duero, very few of the vines have that silkiness which typifies great Pinot Noir, and the high altitude gives them a pronounced acidity with the

taste of small black fruits. There is one estate, however, which I thought came close to great burgundy, and that was Briga, founded by three brothers as recently as 1993, for me it was the greatest discovery of the trip.

It is a region in a state of flux. Everything seems to be either half up or half down. Old farmhouses stand plundered of their roofs, festering by the road side, while the farmer's pride and joy, his vulgar modern residence, stands puffing out its chest next door.

Half the wineries we visited were either expanding, or had simply not finished building. Many of these have been created by men who took their grapes to the Proton co-operative in Pareda, a decade ago. There they were turned into rather cheesy, leathery wines. Others, such as the excellent Carmelo Roderio, sold their fruit to Vega Sicilia.

There seems no shortage of money, judging by the batteries of expensive stainless steel vats, pneumatic presses and new American casks. At Real Sío de Ventosilla, the largest winery in the region was being built on a former royal hunting ground which was first culti-

vated by the dukes of Lerma and Medina Celli. Some of the new men have come up from Madrid, sensing gold in those south-facing slopes. The novelty of the region's fame means a lot of young vines. At Valduero we learned that the vineyard

I wanted to dislike it, but I couldn't: it was rich and sinewy, and smelled of bitter cherries

was impressively silky, but these are early days for Ribera del Duero, and it could be 20 or 30 years before we know the front-runners.

Information: Two of the best - and best value - estates I visited, Briga and Real Sío de Ventosilla, have no importers. Contact: Wines from Spain on 0177-485 0101. Pesquera, Vega Sicilia and Pésquera are imported by John Armit (0171-727 6346), Morris & Verdin (0171-357 8866) and Corney and Barrow (0171-251 4051) respectively.

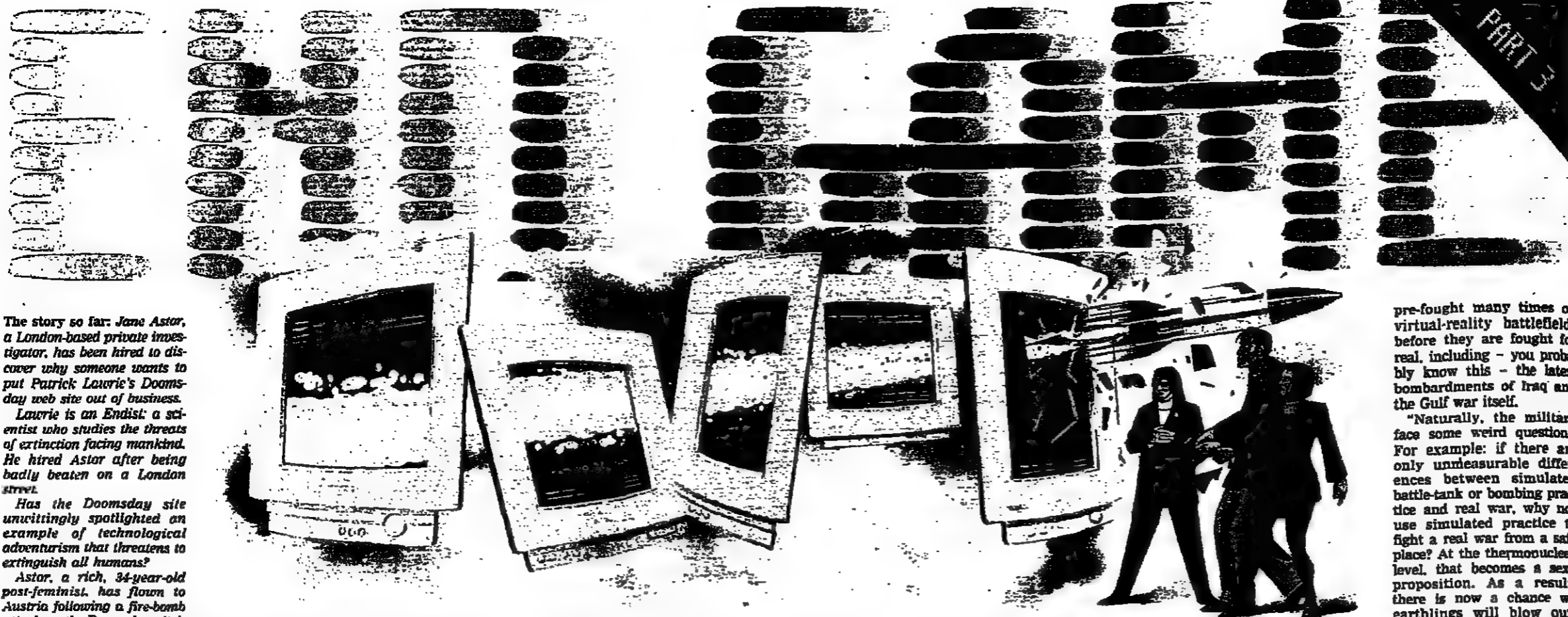
Bodegas UK imports Proton (0956-543 733), Laymont and Shaw ships Bodegas Valduero (01872-270 545). Moreno Wines acts for Grandès Bodegas (0171-723 6307). Richards Walford for the massive wines of Hermanos Pérez Pascuas (01780-160451) and John Comyn (0161-485 4532) brings in the rather more supple Bodegas Roderio.

and among the turbulent atmosphere of the fiesta in Aranda de Duero, we drank a bottle of 1986 Vega Sicilia. After their trugulence I wanted to dislike it, but I couldn't: it was rich and sinewy, and smelled of bitter cherries. I mentioned it to growers, but they didn't want to know. The world, it seemed, had moved on: there was a new Ribera wine, unavailable in the region - a wine-loving Dane. When I got home I tried to get hold of a bottle, but it had sold out. Parker, it seemed, had pronounced again: this was Spain's Le Pin. I had to make do with 1995 Hacienda Monasterio from the same stable. That

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PERSPECTIVES



Blood is spilt as Michael Thompson-Noel concludes his three-part Jane Astor mystery

The story so far: Jane Astor, a London-based private investigator, has been hired to discover why someone wants to put Patrick Lawrie's Domsday web site out of business.

Lawrie is an Endist: a scientist who studies the threats of extinction facing mankind. He hired Astor after being badly beaten on a London street.

Has the Domsday site unwittingly spotlighted an example of technological adventurism that threatens to extinguish all humans?

Astor, a rich, 34-year-old post-feminist, has flown to Austria following a fire-bomb attack on the Domsday site's HQ in Kitzbühel. With her is Paul Willson, her young assistant and lover.

As this eccentric couple have realised, they are tackling their strangest case.

We make mistakes. We kill our own.

That is how the late Carl Sagan, astronomer and science visionary, described the human predicament in a speech he made at Gettysburg, Pennsylvania, on July 3 1998, at the rededication of the peace memorial that marks the Battle of Gettysburg.

One of his themes was the escalation of risk. The death toll at Gettysburg was 51,000. With one or two exceptions, all of them were soldiers, said Sagan. "But in a global thermonuclear war, almost all the casualties would be civilians, including vast numbers of citizens of nations that had no part in the quarrel that led to the war, nations far removed from the northern mid-latitude 'target zone'." Everyone on earth was at risk. We had made a fool's bargain.

Even in modern industrial states, madmen could seize the reins of power. With our rock-piles of nuclear weapons and the threat of proliferation, we were gambling our lives on the sanity and sobriety of all present and future leaders. "I say this is asking too much of us," said Sagan. "Because we make mistakes. We kill our own."

Apart from nuclear wipe-out, many other potential calamities are on the horizon. They include natural disasters, such as asteroids, comets and massive stellar or other deep-space explosions. Or we could be vapourised by aliens. But the greatest variety of threats to human survival stems from our own technological prowess, and love of war.

For example, there are hundreds of different possible computer disasters heading our way, culminating in our loss of supremacy on earth's evolutionary ladder when computers supplant us. Once they acquire our intelligence and cunning, some people say, computers will take over from us - with or without our permission.

I do not know about that. But in the last few days I have discovered that the threat of nuclear war is even greater than suggested by Carl Sagan at Gettysburg. We are at risk from nuclear war, and we are at risk from simulated nuclear war. There is an appalling possibility that we will extinguish ourselves in a nuclear war game: in a simulated nuclear confrontation that lurches - or is manipulated - out of control. Grotesquely, we may be devoured by hyper-reality.

My name is Jane Astor. I am a London-based private investigator, aged 34. I am single and self-employed. You can tell I am a post-feminist because I drive a flamingo-pink Peugeot 306 convertible and employ as a trainee-assistant a 21-year-old guy who is not a rocket scientist but who is sweet and keen and does a lot of gym.

His name is Paul Willson. Paul is 6ft 5in and skinny. We spend most of his nights at my house, which is near Marble Arch. When his clothes need washing, I send him home to his mother, Vicky, who claims to be puzzled by my relationship with

her only son. She can see what Paul gets out of his association with me, says Vicky, but she cannot see what I get. She laughs until the tears flow when I tell her that Paul is a promising trainee investigator and excellent between the sheets. Although I charge top whack, I do not work for the money. I work to save off idleness. My dad was a famous golf course designer in America. When he died he left me \$3m. At the time, I was a corporate investigator at Kroll Associates in Miami. But I jacked that in, returned to London, got a cousin to invest my dad's money in equities (my \$3m has turned into \$7m), set myself up as an investigator, hired Paul on the strength of his height and dark looks - and have travelled along ever since, successfully and enjoyably.

However, my most recent case has been my most difficult. Until a few days ago, nothing added up. But finally, having found myself catapulted into the peculiar world of endism, Armageddon, hyper-reality and war games, I started to make progress.

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Endists are people - usually philosophers - who study the natural and technological perils that endanger us all. Their subject is Domsday. My most recent client is an Endist: a scientist named Patrick Lawrie who lives in London and owns and operates a Domsday web site that has thousands of paying customers around the world. The site contains articles, interviews, briefing notes, speeches and scientific papers - millions of words discussing whether or not humanity is likely to be extinguished within (say) the next 500 years.

Just before hiring me, Lawrie had been savagely beaten near his Bayswater office late one night. His cheekbone was smashed, his right arm broken. A few days later, someone fire-bombed the office in Kitzbühel, Austria, from where the Domsday site was produced.

No one was hurt in the fire-bombing, but the message was clear. There was something on the Domsday site - some allegation, assertion or innuendo - to which someone, somewhere, took violent exception. What it was, no one could fathom, but it seemed obvious to me that Lawrie and his two Kitzbühel-based partners were in grave danger, even though I could not tell in which direction the danger lay.

When Lawrie phoned to tell me about the fire-bombing, I was at home in bed with my trainee-assistant. Lawrie's call interrupted our lovemaking, though only long enough for Lawrie to tell me that one of his partners, an Austrian named Hansjörg Koube, had informed him that the office in Kitzbühel from which the Domsday site was produced had been wrecked by a fire-bomb.

Lawrie couldn't go to Kitzbühel. He would be flying in the opposite direction, to a seminar in Washington. Would I go to Kitzbühel in his place, and discover what I could from Hans? Of course I would, I said.

By the time Lawrie rang off, Paul, who was lying against the headboard of the bed and smoking one of my cigarettes - something I normally do not tolerate - was sulking. But I soon changed

that. We resumed our lovemaking. Paul has always been an A-grade student in that department.

Five hours later we took a shower, then called a cab to take us to Heathrow where we caught a flight to Innsbruck via Zurich. In Innsbruck, to charm Paul, I waved my disulphur card at the fat girl on the Hertz desk and hired an electric-blue Mercedes coupé for the drive to Kitzbühel, which we reached in mid-afternoon.

I like Kitzbühel. My dad used to take me skiing there

There is an appalling possibility that we will extinguish ourselves in a nuclear war game

when I was small, before we moved to America. He always booked us into a classy, family-run hotel in the old town, so I did the same with Paul, discovering that the hotel, now owned by a different family, was even classier than I recalled. We were given a suite; its bedroom had an enormous alpine four-poster with a mattress as deep and as soft as sin.

It wasn't until 5.45 that I finally rang Hans Koube. He was on his way back from Innsbruck, where he lectures in biology at the university. "I'll meet you in 30 minutes," he said, nominating a restaurant in the old town - and arrived precisely on time. To find Paul and me already ordering food. "We were starving," I said guiltily, colouring as I said it, but Koube didn't notice.

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Koube was small, dark-haired and 43 or 44 years old. His eyes flicked from Paul's face to mine. Then, on an explanation, he said, nominating a restaurant in the old town - and arrived precisely on time. To find Paul and me already ordering food. "We were starving," I said guiltily, colouring as I said it, but Koube didn't notice.

"It is all most regrettable," said Koube, "but I have been travelling for some days, and there was a breakdown in communication. My regular secretary is away having a baby, so the office that produces the web site was being staffed by a temporary secretary. Not a stupid woman, certainly, but not an intelligent woman, either. Something in between."

A week ago, said Hans, the temporary secretary had taken two messages from an anonymous caller in Paris, asking that a photograph be removed from the Domsday site.

"A photograph?" I exclaimed. Koube nodded. He was ignoring Paul. It seemed he disliked him. His remarks were addressed solely to me. "A photograph - yes," said Koube. "The caller wanted a photo deleted from the web site. Both calls were recorded, as a matter of routine, but the secretary sent the tape, with a covering note, to my home here in Kitzbühel and then went on holiday, to be replaced by a different temporary secretary. But I was away. I returned yesterday. My wife, who often helps with the web site, is also away, so none of us knew about these calls from Paris, demanding

the removal of a photo." I told Koube I had assumed that Patrick Lawrie had been attacked in London because the site had exposed, inadvertently, something serious: an individual or corporation, perhaps - even a government - whose scientific research was in danger of triggering some extinction-threatening catastrophe that might wipe out mankind.

"I've spent days and hundreds of dollars sweeping the site," I said angrily, "without guessing that what I should have been looking for was a photograph. Are you saying that all this trouble was caused by a picture?"

"Looks like it," said Koube phlegmatically, gesturing to the waitress to bring more bread and wine. "And - before you ask - I'll tell you what it showed." He paused melodramatically. Fiddled with a cuff-link. Fingered his tie. Paul was on the verge of laughing but I kicked him under the table.

"The photo," said Koube slowly, "shows two guys at a table beside a swimming pool at a hotel in Tel Aviv. Both have just been in the pool - their hair is still wet. The older guy has his arm round the shoulders of the younger guy. They seem very happy with one another. The older guy is Ben Rosenbluth, an American-Lithuanian who has made a fortune investing in tiny, embryonic high-techology companies."

Paul was slurping his soup. I told him to get quiet. "We could always get you a straw," I said, but not unkindly. Irritated by the interruption, Koube glared at Paul before continuing. "Rosenbluth is immensely shrewd and well informed," he said. "His main interests are molecular biology, computers, communications and defence technology, but there is hardly anything he won't look at, initially. His clout stems from the fact that he often brokers technology sales and swaps between governments, especially western and eastern European ones."

And the younger guy? I asked, drumming my fingers. But Koube would not be hurried. "The photo has been on the web site for about four weeks," he said, speaking really slowly. "We accepted it in good faith. It arrived in the post, from an official-sounding photo-agency in Jerusalem, so we stuck it on the web site. Its quality was not of the highest, but then the caption said it showed Rosenbluth and a colleague at poolside in Tel Aviv during an unpublicised government-level conference on battlefield simulation technology - computer war games. These war games are of great interest to the Domsday site, so we happily used the photo. Anyway, Rosenbluth is a celebrity in high-tech circles."

"The younger guy in the photo," added Koube at last, "is James Lee-Mann, an Anglo-Chinese, born in Hong Kong, now domiciled in England. Lee-Mann is a mathematician - also a leading designer of war-games software. Possibly the best. He's paid millions for his work. I've brought the photo for you to see" - saying which, Koube withdrew an envelope from an inside jacket pocket, opened it, and handed me a photograph.

It was just as he had said. The faces weren't perfect but the faces of the two men were well defined. They were sitting thigh-to-thigh. Rosenbluth was low-browed, ir-

sute and heavily muscled, probably late 30s; the other one, Lee-Mann, was a slim, tall Chinese with long, girlish hair, early 20s, wearing a necklace of blue glass beads.

Reading my thoughts, Koube told me: "Rosenbluth is 37, married, no children. His wife is wealthy and lives in Long Beach. Rosenbluth is almost never there. Spends most of his time on planes. Lee-Mann is 24 and single. Little is known about him."

"A nice looking guy," I said, pointing to Lee-Mann. "Yeah, cool," agreed Paul appreciatively, taking the photograph from my hand. "Are they supposed to be gay, Mr Koube? Is that why you ran the picture on the web site?"

Koube was embarrassed. For a while, he stayed silent. Finally, he said: "You may not believe it, but such a thought occurred neither to me nor my wife. We were on the verge of laughing but I kicked him under the table. The photo," said Koube slowly, "shows two guys at a table beside a swimming pool at a hotel in Tel Aviv. Both have just been in the pool - their hair is still wet. The older guy has his arm round the shoulders of the younger guy. They seem very happy with one another. The older guy is Ben Rosenbluth, an American-Lithuanian who has made a fortune investing in tiny, embryonic high-techology companies."

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still don't see why our subscribers should necessarily conclude that Rosenbluth and Lee-Mann were having an affair, whether or not the photograph was a fake," said Koube plaintively, preparing to take his leave. "All the photograph shows is two guys - friends - who've just enjoyed a swim."

"But look at them, man," said Paul. "They're hot for one another. Yet if the picture is a fake, maybe only three or four people know it's a fake, including these two themselves. The real question probably isn't whether Rosenbluth and the Chinese guy are gay, but who faked the picture, and why?" Paul was right. Koube could see that.

Paul was in a hurry to get back to our hotel suite but I was spinning things out, making him wait. I had another glass of red wine and lit a Marlboro. I blew four perfect smoke-rings, which hovered in the space between us like miniature spacecraft.

At midnight, we set off for the hotel. I took Paul's arm and we walked through an alleyway into one of Kitzbühel's smallest, darkest central squares. At once, two men stepped out of a shop doorway, blocking our path. I cannoned into one of them. Both were in their early 30s, and both looked fit and dangerous. I recognised them immediately from Patrick Lawrie's description of

'Modern battles are pre-fought on virtual-reality battlefields before they are fought for real'

the two men who had attacked him so savagely in London.

The one I had collided with shoved me away violently. At once, Paul swung a fist at him - and was immediately felled by a sickening punch to the side of the head.

Unfortunately for Paul's assailant, I was carrying, half concealed up my sleeve, a Czech-made, weighted, telescopic, tri-metal attack-ward - a weapon so vicious it is illegal in most countries.

It flew into my hand. I snatched it out to its full length: 26 3/4in. The guy who had hit Paul bowed in agony as I smashed his left wrist with the wand, and then his right elbow. He fell to the ground, his wrist and elbow ruined.

I turned to confront the other man. He had been about to join the attack, but had changed his mind. I was surprised he didn't have a gun. He backed off a couple of steps. His eyes were locked on mine. Eyes of piercing blue.

I risked a downwards glance at Paul, who wasn't moving. Blood was streaming from his mouth. His face had gone bone-white. I felt a great surge of fury. "His name is Paul Willson," I told Blue Eyes. "He is 21 years old. If he is in any way harmed or damaged, I swear that I'll kill you." Blue Eyes said nothing. "I gather you're steamed up about some poxy photo on the Domsday site," I continued.

"Well, there was a slip-up. A lack of communication, quote/unquote. But the pho-

tograph has been removed. It was taken off the site more than an hour ago - better late than never.

"Good," said Blue Eyes. "That is all we ever asked for."

"And who is *see*, you mean?" I moved forward a step. Blue Eyes retreated a step. The attack-wand terrified him. "Are you speaking for Ben Rosenbluth? James Lee-Mann? Both of them? Someone else? The Man in the Moon?"

"That would be telling," said Blue Eyes.

I reviewed my options. Blue Eyes watched me like a cobra studying a new type of mongoose. Finally, I told him: "You and whoever is paying you were way out of line in assaulting Patrick Lawrie and destroying the Domsday office. Someone could have been killed. And all because a secretary failed to pass on your messages."

"The photo was a lousy fake," said Blue Eyes defensively. "It was intended to suggest a relationship between Rosenbluth and Lee-Mann that doesn't exist."

"I've told you," I said. "The people running the web site didn't get the message. They didn't know the photo was a fake. Nor had it occurred to them that the photo might be taken to imply that Rosenbluth and Lee-Mann were lovers. They simply didn't see it that way. But I haven't got time to debate this stuff, cretin. I raised my palms. "We had better back off," I said. I pointed to Paul's attacker. "He'll need a lot of surgery, but that's his funeral."

"Sure," said Blue Eyes. "We'll both back off."

Roughly, he bawled the other man to his feet, and they vanished into the shadows.

I helped Paul stand up. He was groggy, but his mouth had stopped bleeding. I took his arm. We found our hotel. I threw our stuff into our bag and we got into the Merc.

I drove slowly westward. Paul's mouth was bleeding again. He seemed really sad. In Innsbruck we caught the first flight to Zurich, and thence to London.

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It is funny how much progress you can make when you know which buttons to push. Within an hour of returning to London, I had contacted Patrick Lawrie in Washington and told him his troubles were largely over. Within another five hours I had found out a lot, probably enough, about Ben Rosenbluth and James Lee-Mann. And late the following day, Paul and I were sitting in a luxurious house in Hampstead, chatting to the charismatic and spookily attractive James Lee-Mann. Paul had recovered from the punch to his face, and was in high spirits.

With what sounded like exquisitely calibrated candour, Lee-Mann, who had agreed to see me the moment I got his number from a contact at the Ministry of Defence, was telling me about his work as a designer of war-games software. Paul was staring at Lee-Mann open-mouthed, for everything about him was exceptionally cool.

"I create simulacra of war," said Lee-Mann softly, "by which I mean ultra-realistic, three-dimensional, digitised, simulated battlefield computer realities in which today's soldiers, sailors and airmen can live, fight and train. Modern battles are

pre-fought many times on virtual-reality battlefields before they are fought for real, including - you probably know this - the latest bombardments of Iraq and the Gulf war itself.

"Naturally, the military face some weird questions. For example: if there are only unmeasurable differences between simulated battle-tank or bombing practice and real war, why not use simulated practice to fight a real war from a safe place? At the thermonuclear level, that becomes a sexy proposition. As a result, there is now a chance we earthlings will blow ourselves up during a war-game that veers out of control - or is hijacked. Then it would be boom! ... poof! ... bye-bye!"

Lee-Mann, catching Paul's eye flirtatiously, smiled sweetly.

"Tell me about Ben Rosenbluth," I said. "Well," said the young mathematician, "for a Cro-Magnon, Ben is bright. He wanted to set up a company to handle my patents. He stood to make a killing, but I couldn't see what Ben thought I thought he would be bringing to the party. I mean, he only knows about finance. Anyway, I'm floating a company next year, without Ben's help, which will produce commercial, video-shop adaptations of my battlefield simulacra. Obviously, the military versions will remain completely secret."

"Obviously," I said. "But tell me: who sent the photo of you and Rosenbluth to the people running the Domsday site?" "Rosenbluth's wife," said Lee-Mann. "She wanted to be rid of him."

"So who commissioned the attacks on Patrick Lawrie and the Kitzbühel office?" "Ben, of course. He's nothing without his wife's money. He's desperate."

"But the photo of you and Rosenbluth in your swimwear in Tel Aviv is a high-grade fake," I said. "I've had it checked."

"Yes," said Lee-Mann. "Unarguably a fake."

"You've lost me," I said. Lee-Mann sighed, and rolled his eyes at Paul, who responded with a grin. "The photo was a fake," said Lee-Mann teasingly, "but, like all good phonyes, it embodied the truth. Ben and I had a six-month affair, which only ended in Tel Aviv when I told him I wasn't going into business with him."

"But, hey, let's stop worrying. The police know the full story. I'm a protected species. I can do no wrong. Powerful people watch over me 24 hours a day, so all loose ends are being sorted. Ben will be arrested but not charged - just warned. His wife has kicked him out. His two hired thugs have been picked up and will be jailed on non-related charges. Oh, and Patrick Lawrie and his partners are receiving \$275,000 in compensation from the UK government, my principal client. So everything and everyone is cool again, non?"

□ □ □

Paul and I are now on the Great Barrier Reef, spending some of the £17,000 we won just before Christmas with a handful of soccer bets. We enjoy a punt, and often do well, but I never thought we'd win that much.

We will be in Queensland for at least another month. Our days are magnificent and our nights beautifully and strenuously ardent. After Kitzbühel, I still feel bleak at the thought of what might have happened to Paul when that thug slugged him, so I have instructed myself to follow James Lee-Mann's advice.

"The Endists and doomsters are right," he said gently. "Mathematically speaking, the end of the world is nigh. So don't try and be good, my friends; just try to be careful."

End Game is a work of fiction. All main characters, and all events, are imaginary. Any resemblance to persons living or dead is coincidental.

A third way to devise homes fit for heroes

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OUTDOORS / PROPERTY

Gardening

Rain is good for growth – and slugs

Robin Lane Fox selects the plants which impressed him most in 1998

Two new years ago, I sat on horseback beside two practised farmers who were lamenting the vanishing level of water in nature and the damage to something called aquifers. Any self-respecting aquifer has had nothing to complain about. The long holiday season has been so unpredictable, so dark and so wet that our gardens are almost submerged as squiggly channels burst through the lawns, flower beds and anything which lies downhill.

Among the wet and the dark, I have been taking stock of the past extraordinary year and have decided that the key themes were slugs and growth. Once again, they confirm my long-held view that gardens and stock exchanges share an unrecognised relationship.

Like adventurous British investors, gardeners see their smaller prizes being cut back at ground level from mid-summer onwards while the old and trusted favourites have powered ahead, growing since July at a speed we have not seen for years. The mild rain has prolonged their exceptional progress and this spring will keep hedge-cutters on their toes.

The final impressions of the year are those which tend to last, but I also remember a heavenly phase of early spring, carpets of all types of narcissi in flower at once, sheets of anemone blanda opening in the sunshine and a good run of white flowers on the tall magnolias before frost in

April stopped them in their tracks. This early spring was more favoured than its predecessors because the frosts came later – at least south of Birmingham – and we all had a chance to enjoy camelias before a clear, cold night did serious damage.

Gardeners then complain that the rest of the year was cold and wet and nothing made serious progress. They are forgetting that, in 1998, borders and roses were once again a fortnight early and that old-fashioned roses had

I am one of the unfortunates who looks out on hedges over 20ft high of this beast

a wonderful window of opportunity before any rain damaged them in late June. Bedding plants were remarkably slow to make early progress as the soil stayed dry and nothing speeded it up.

The great gainers were families which like quite a heavy rainfall in early summer if they are to flower freely from August onwards. I had some wonderful shows of flowers on the crocosmias whose varieties have multiplied in catalogues during the past 10 years. Many more of us now know the orange-yellow Solferino and

the very pretty Norwich Canary, but I have spread the net much wider into the hanging dark red flowers of one called Mrs Geoffrey Howard and a fine flower called Seven Sunrise.

Crocosmias have been great beneficiaries of the recent warm winters and as many of them appreciate rainfall during the growing season, they put on an excellent show in August.

Later in the season, the same causes worked even better effects on the many varieties of Kafir Lily or Schizostylis. Like the crocosmia, this family is grouped among the relations of the iris, but it does not start to flower until early September. They continue well into November, when the first frosts and rains spoil the flower buds. Before then, all the varieties will flower abundantly in rather poor soil which has been soaked with rain earlier in the summer.

Here, too, named varieties have been multiplying, but the best of the many I have collected is the excellent red crocosmia which is also one of the easiest to find in catalogues. Six years ago, I planted mine in the blank squares left between paving stones and I have found that this site suits them admirably. Their lush leaves soon spread and the flowers project forwards at the modest height of a foot or so as they reach out into the sun. A mild December brought most of these varieties back for a second bout of flower.

Evergreen shrubs have accelerated in the mild wet weather since September



Althea cannabina (left) and Schizostylis coccinea flowering in late August and from September onwards, respectively



A-Z Botanical Garden Picture Library

and I never remember such progress on three of my favourites, the best escalonias, including Gwendolyn Anley, the variegated rhamnus which is my all-time favourite against a wall, and the hardy and reliable Osmanthus Burkwoodii which makes such an excellent and unusual type of hedge.

If you are hesitating about planting strategic evergreens, take heart from the rapid progress of these varieties in the past year. They all respond to a surface dressing of an artificial fertiliser on to the bare ground

around their roots from April onwards. The cheap and potent choice here is a bag of dried blood, which is then washed into the soil by rains which fall from late April onwards. Together with the recent deluge in British weather, this dressing has sent my older hedges racing away after years of drought.

What is good for a classy evergreen is even better for the monstrous feathery Leylandii Cypress whose hedges have been the subject of such national abomination. I am one of the unfortunates who looks out on hedges of this beast which are over 20ft high, and I have to report that the second half of 1998 saw hardly credible rates of growth both forwards and upwards on old trees which I believed to have been tamed by heavy

cutting only three years ago. It will cost several hundred pounds again this spring to strip the brutes to a temporary standstill and try to restore a degree of order. If you have these monsters near you, check them again this spring because they really have accelerated in recent months.

At a lower level, I am pleased to look back on particular successes. At Chelsea Flower Show, I was one of the many who fastened on to the specialist displays of various types of half-hardy perennial Nemesis. I chose these plants for some of the low beds in prominent places in Oxford and can only endorse the enthusiasm of their breeders, who claim that they spread and flower throughout the summer and autumn.

Many more varieties will

be coming on this year, but I have had fantastic value from these free-flowering small bedding plants and recommend them all when they turn up again in May.

At a different height altogether, I have also been delighted by an old favourite. I owe it to the writings of the great Edwardian plantsman, E.A. Bowles, who describes it as "one of the best of the mallows... a goodly possession which grows 12ft or more and is wonderfully elegant and light in its branching". It is a type of wild hollyhock with leaves like a plant of cannabina, but nobody has yet arrested the neglected Althea Cannabina. It is a plant for late August – outstandingly light and emphatic and an absolute winner in any flower bed which needs a lift.

The little flowers come in dozens and are a reddish pink on thin stalks, but the entire plant is transparently slender and airy so it does not block the view to lower subjects around it. Mine stopped happily at 4ft and despite advice, I never bothered to stake them. They are one of those overlooked architectural plants for late summer which will grow anywhere, make an impact in groups, or only one at a time, and puzzle both experts and non-gardeners who mistake them for what they are not.

Not all the best plants are new and it always pays to read the experts from earlier this century. So much that is new keeps flooding us that we fail to pick up on existing observations made long before when choices were fewer.

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On the Move

Let the vendor beware

Anne Spackman on proposals to change the house-buying system

A refreshingly consumer-friendly response to the government's proposed changes to the house-buying system in England and Wales has been published by the National Association of Estate Agents.

It not only supports the general thrust of the government's proposals, but suggests they go much further. Most fundamentally, it recommends abandoning the principle of caveat emptor – let the buyer beware – in favour of caveat venditor.

Last month the UK government produced a consultation paper aimed at tackling the slowness and inefficiency of the present house-buying system. It recommended that much of the information obtained by the buyer after an offer has been agreed should be obtained by the vendor before the property goes on the market.

The key aim is to reduce the time between offers being agreed and contracts exchanged, when many deals fall through.

The reaction of a number of estate agents and property organisations has been that the system ain't broke, so it doesn't need fixing. A typical response comes from Penelope Court of the central London agents, Beauchamp Estates: "The proposals could set up obstacles to the smooth handling of a process that has worked efficiently for many years."

Some members of the National Association of Estate Agents might agree, but their report takes a very different view, as it is based on work by Tim Kaye of Birmingham University, an independent legal academic. He describes the existing system in terms more familiar to the buying and selling public: "It would appear to be highly defective and in need of root and branch review."

Kaye says the system is



dogged by uncertainty, delay and distrust. The key problem is that offers agreed "subject to contract" have no legal standing. Buyers and sellers can withdraw at any point up to the date of written exchange of contracts – and often do.

Kaye's solution is similar to the government's, only more radical. He believes selling homes should be like selling other goods, with the seller legally required to be open and honest. The principle that the buyer should be responsible for digging up any defects in the property is at the root of the problem, he argues.

His solution is to adopt a system based on that used in New South Wales, Australia. There, the vendor has to produce a pack which includes among other things a contract of sale, draft plans, a local authority search and details of any boundary disputes. This is the essence of the government's proposals.

Kaye would also require vendors to provide a survey. He argues that this is the only remaining cause of

delays in the NSW system. Even without it, he says, gazumping has virtually disappeared and legal disputes have proved rare. The issue of vendor surveys has produced the strongest response from the property industry. Many have argued that buyers will not believe surveys produced for sellers. Kaye says buyers, as borrowers, already accept the surveys done for lenders. Moreover, he argues that negligent surveyors are already liable to both buyer and seller.

Kaye says he appreciates the problems involved in transplanting ideas from one country to another, but with the housing market and the legal system in NSW very similar to those in England and Wales, he says it should be possible. He has produced a draft bill based on the NSW Conveyancing Act and the UK Sale of Goods Act 1979.

The bill includes provision for the future establishment of a system of public notaries to handle property transactions, as happens in many European countries, including France and Germany. Kaye accepts that this is an idea for the long-term and that he has given the government and the industry quite enough to be going on with for now.

Christmas Crossword solution

DEPOSITARY PRECOLLEGE
RAPPOORHOEPAP
EXTOL CHAMELEON SWISS
SHILOSDOSOCCT
SAFETYMATCH SLEPTHERE
ELEVOTNHNRR
DANGLE BERTHA SCOOTER
UDOSNTUORO
PRECONCEIVE ASMODOUS
RKUSQTVS
OSLO TWOQUEENS EDGE
BU NURORR
REMOVED SIMPLIFIERS
IEGCHSEAEI
DORMIC ROUCOU CRONIN
ECMIANFLRSC
GRIMALKIN EXTRAPOLATE
RLMHVRRHILR
OPERA DESPERADO MIAMI
OSTCONDONT
MASTERMIND SEANOCASEY

Winners: Allison Chisholm, Brickdale, Merseyside; J.R. Osborne, Ashted, Surrey; J.M. Rogers, Cross Hills, W. Yorkshire.

سكنا من الاربع

TRAVEL

Skiing

Grooming is so smart in Colorado

Arnie Wilson on how Vail has coped with the season's start

When the first decent snowfall of December arrived in Colorado, Vail's daily newspaper greeted it with: "So that's what snow looks like. For a while it was tough to remember."

But, said Pete Seibert, the man who founded Vail almost 40 years ago: "God-damit, we still need more snow." Sure enough, almost a foot arrived just before Christmas.

And just in case the Christmas spirit did not affect everyone, there was the unusual sight of a security operation at the bottom of the Eagle Bahn Gondola. Cinda Ray and Brian Hoffman, two police officers, were registering, in case of theft, the numbers stamped on people's skis. In spite of sketchy conditions, new skis were everywhere.

Runs such as The Woods, and Dealer's Choice were skiing well. Other family favourites, such as Born Free and Christmas, were also in good shape. So was Lodgepole, a particular favourite of mine, which provides an exhilarating roller-coaster ride to the bottom of Vail.

I also tried Beaver Creek, just 10 miles away. I let gravity engulf me, on the superb Centennial Trail, allowing the Rossignol Bandit skis clamped to my new X-Scream boots to purr their way down.

Sometimes flying, sometimes floating, with one final swoop I found myself back at the village base. It is grooming like that - even when the snow is not up to its usual quality - which makes skiing in the US so exhilarating.

Ing. Such is the efficacy of modern ski equipment and Colorado grooming that I needed to do almost nothing to travel down more than 4,500 vertical feet.

As one group of early-season British visitors said before the Christmas snow-falls: "Stop apologising for your snow. We think it's great."

In a toasty December, Mammoth and Lake Tahoe were deluged with snow, there were falls in Phoenix and Las Vegas, but Colorado struggled. Nevertheless, it was still cold enough to make snow. The combination of artificial snow and sunshine cheered up skiers - many of whom seem content to ski Beaver Creek and Vail, its big sister-resort, even in limited circumstances.

Vail is, after all, the biggest single ski mountain in the US and, even with many runs closed and a lift still out of action following arson attacks in October, there was plenty of good skiing.

On North America's east coast, however - traditionally colder than the west - there was such a warm start to December that on some days snowmaking was impossible.

This led to Tremblant, in Quebec, having to close for a day. In the Rockies, the snow brought a smile back to the face of John Bennett, the Scot who runs Ski Independence, now in its fifth year in North America. He had a lot on his mind - would everything in his newly refurbished chalet actually work? He had taken something of a risk, inviting journalists to test the product before the



Glenwood Springs, Colorado, half-way between Vail and Aspen, had a heavy snowfall just before Christmas

paying clients arrived. There was a slight panic when several of us reported having cold showers one morning, but Bennett, who had just spent \$6,000 overhauling the heating system, rolled his eyes and rolled up his sleeves to try to fix that. To no real avail.

For quite a few dollars more, he discovered that he would have to install two new tanks. Guinea pigs have their uses. The television did not work (good). And we did not all see eye to eye with him about the low level of lighting. Bennett does not like bright lights. A trifle reluctantly, he let his guests (us) over-rule him.

The Ptarmigan, Bennett's chalet, is tucked away in a glade of aspens on the eastern outskirts of Vail. So tucked away, in fact, that people have a job finding it. Rather important people. On the night of my arrival, Adam Aron, Vail resort's chief executive officer, tele-

phoned the local police several times for directions on his mobile before dropping me off on his way home. Two nights later, Pete Seibert - guest of honour at a dinner party thrown by Bennett - was unable to find it.

It has cost more than \$100,000 to refurbish the chalet completely

and drove home. To make up for his absence, he entertained us the following day at the exclusive Gnome Creek Club (membership \$28,000, plus a yearly subscription) on the flanks of Gnome Creek Bowl.

Seibert, a former US racer, was one of America's celebrated 10th Mountain Div-

sion troops until he was invalided out of the army after his kneecap was smashed by shrapnel in Italy during the second world war.

Although now in his 70s, he still slides with panache. "I'm alive, upright and above ground," he says. He is not too keen on the new type of carving skis. "They have too much of a mind of their own," he adds.

Having made amends for being a no-show at dinner, Seibert prepared to ski off along Eagle's Nest Ridge and head for home. Bennett again invited him to dinner - in the hope that next time he will successfully locate the Ptarmigan, his flagship chalet.

Bennett bought it because he was unable to rent a property in Vail of the standard he felt would sit comfortably in the Ski Independence brochure. Even then, it has cost him more than \$100,000 to refurbish it with

new bathrooms, a new kitchen and a hot tub. "The Ptarmigan is a comfortable, attractive, thoroughly modernised chalet, with brand new ensuite bathrooms," said Bennett.

"We feel we have cranked up the traditional chalet ambience without going in for out-and-out luxury. And our prices reflect this. We are substantially more reasonable than operators at the luxury end of the market."

Out on the slopes, Vail seems to be recovering well from October's arson attacks, although how the resort will cope with the disastrous loss of its enormous Two Elk restaurant as skiers flood the resort in high season remains to be seen. Fortunately, there are good restaurants at the two main base areas in Vail Village and Lionshead.

The "in" après-ski drink this winter is the mudslide, a deceptive but formidable

combination of vodka, Kahlua and Baileys made by the bucket-load at the Sonnenalp's Bully Ranch bar.

The newly refurbished Lodge at Vail offers a particularly good and hearty skiers' buffet for \$33 (a cheaper version - soup and salad - is available for \$16). Alternatively, you could always take lunch at the Game Creek Club. If you happen to have \$26,000.

Ski Independence. Broughton Market, Edinburgh, EH3 6NU Tel: 0990-530555. E-mail: ski@ski-independence.co.uk. The company specialises in skiing in North America and offers 27 resorts in the US and Canada, with a choice of catered chalets, hotels, condominiums and tailor-made holidays. The Ptarmigan is a four-star chalet and sleeps 12 people in six bedrooms. Prices from \$669 per person including flights, transfers and breakfast, afternoon tea and dinner with wine.

..update..

■ The winter ski holiday is now roughly 100 years old, which means that it can safely qualify as an antique. Certainly Christie's South Kensington auction house has been quick to cash in on the traditions that a century supplies.

Last February it held its first skiing poster sale and sold virtually every item. On February 25, it is repeating the experience. This time, as well as 350 posters advertising all the main resorts from Chamonix to Gstaad, from Davos to Klosters, there will be oils and watercolours, ceramics and bronzes, all with a skiing theme.

With prices ranging from £100 to £4,000, this will be an easy way to acquire some skiing nostalgia. The top prices are likely to be paid for historic posters, in particular a design by Francisco Tamagno of a couple, arms outstretched, jumping down a mountain, which around 1900 aimed to entice the first skiers to take the train to the slopes of Chamonix. It carries a top estimate of £5,000.

A slightly later advertisement by Abel Faivre, showing a pretty girl taking to the slopes in a long dress and grasping just one ski pole, might go for nearer £2,500.

Winter tourism began at St Moritz in 1864, with skiing arriving soon after, and the resort produced many of the most memorable posters, including a famous image of a giant rabbit by Alex Diggelmann in 1935, estimated at up to £1,000.

There are also bob-sleigh posters, and ice-skating, hockey and tobogganing posters. There are vases decorated with skiers and pottery groups of skiers, bookend many ski equipment. There are also items for the car - a Riley "Skiway" wintered mascot and a 1938 Wilver Olympics car plaque.

If skiing conditions look poor, the enthusiast can switch money saved on a holiday into this alternative investment.

Antony Thorncroft

TRAVEL

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TRAVEL

The popes had a point when it came to aperitifs

Nicholas Woodsworth relishes the region of France where he's made his home

What is it about Provence – apart from 2,500 hours of sunshine a year – that makes it so alluring? The question for me was not an idle one. Twenty years ago I had chosen to live here. There are, of course, any number of places of great southern charm stretching across Europe from Portugal to Greece. All are bathed in sunshine and the brilliant Mediterranean light. All make greater or lesser claims for their landscapes, their stone farmhouses, their goat's cheese, their beautiful women and a host of other felicitous things. One could go on making such lists indefinitely.

Yet I could not explain in any succinct or comprehensive fashion what it was that made this particular place so attractive to me.

Such were my perplexities not long ago as I sat, a mid-morning *petit-dejeuner* in hand, at the top of the Dentelles de Montmirail. The Dentelles are one of my favourite places in Provence. Striking formations of silvery-grey rock, they rise precipitously out of the plain on the edge of the Rhône Valley in the *département* of the Vaucluse. From here the views are nothing less than transporting.

"Dentelles" means lace, and I can see the reason for the name – the 300ft vertical

spine of rocks that runs along the top of this densely forested massif is so delicate, so thin and finely worked by aeons of erosion that it can indeed bring lace to mind.

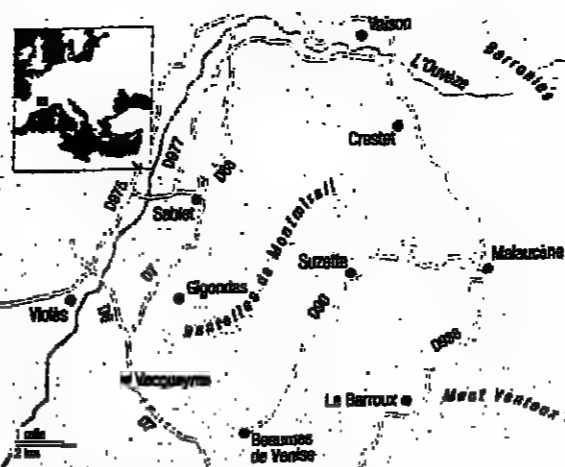
High in a rocky cranny, I gazed over northern Provence. Away through the milky air, across a flat Rhône Valley drenched in soft sunshine, I could see the hills of the Cevennes.

To the north-east lay the rugged Barronies – the first of a set of ever rougher foothills climbing to the Alps. Behind me rose the silhouette of 6,000ft Mont Ventoux, the highest peak in Provence.

Everywhere else, lapping at these prominences like a sea on fire, stretched endless vineyards that in this season wore brilliant tones of red and gold.

In such weather, I thought, I could sit and simply gaze for days. Autumn was a good time for such laziness. The hectic round of summer festivals was over, the crowds of visitors had gone home, the all-important grape harvest was safely in. Balmy and basking, the whole land lay in a kind of satisfied quiescence. I could easily do the same.

On the other hand, I reflected, I could make the 35-mile tour of the country roads that encircle the Dentelles. It is one of the prettiest circuits around. Somewhere down there, perhaps, lay the answer to my ques-



tion. Brushing away the last buttery crumbs of pastry, I made my way to Gigondas, the small village that lay below the rocks.

Gigondas is old. The ruins of its stone citadel, its ramparts, hospice and monastery all speak of a medieval past. But its name, a derivation of the Latin *joconditas*, or happiness, speaks of even older origins. Like Vaison-la-Romaine, some 10 miles to the north on the Dentelles circuit, Gigondas was settled by the Romans.

Why happiness? Perhaps because while Vaison was a busy garrison town – these days it is a delightful place of street-markets and music-festivals – Gigondas was settled by retired Roman soldiers who devoted themselves to wine. They established a reputation for inspired wine-making early on – Pliny the Elder mentions them in his first-century "Natural History". The village has not looked back since. Today, of Gigondas's 700 villagers, 650 are still in the business.

Off I drove southward through the vineyards, past wine-cellar and sturdy, four-square Provencal farmhouses, past olive groves and shady stands of Mediterranean pines. The road was quiet and, apart from the occasional pop of a distant boar-hunter's gun in the Dentelles hills above me, so too was the countryside. Even Vacqueyras, the next town down the road, lay somnolent in the sunshine.

It is not always so. Every July, Vacqueyras is the site of an exuberant wine festival that takes over the town. On the main square, tables are laid in the shade of plane trees and vast meals are served *à la carte* to hundreds of celebrants.

In every narrow, winding street, stands are set up for the free and unlimited consumption of Côtes du Rhône wines. One simply grabs a glass and, amid music, merrymaking and dancing, sips

one's way across the town. Multiple crossings are not unknown.

Three miles past Vacqueyras, I grabbed a glass of my own. There can be few better towns to come across at aperitif time than Beaumes-de-Venise. Its Muscat is as close as anything I know to nectar. The popes of Avignon thought so, too: in the 14th century they purchased their own vineyard here. In the town's wine co-operative I sampled three different amber-coloured Muscats. Liquid sunshine, they were

The Dentelles looked very beautiful and very undiscovered

all so good I came away with bottles of each.

A good aperitif deserves a good lunch. A short drive from Beaumes around the bottom of the Dentelles brought me to the village of Le Barroux. Which was the more impressive, its *château* or its restaurant? I am not sure. The massive 12th-century castle on the top of the hill was ornate and preceded by extravagant watchtowers.

My meal at the charming Les Geraniums, a *boutique d'agneau à l'avignonnaise* – stew of lamb, green olives and preserved orange – was also ornate. It, too, was preceded by extravagance – a terrine of multi-coloured layers of tomato, black olive and parsley omelette.

In the restaurant parking lot I met Janet Norton, a modern Freya Stark who, equipped with walking stick, pack and a stout pair of shoes, was researching a book on walking in Provence. What did she think, I asked, of the many trails that criss-cross the forests of the Dentelles?

Norton, I had the impression, likes to be one of the first explorers to reconnoitre a region. Peter Mayle's books were unfortunate, she replied – the British had discovered Provence. It was all the more surprising, then, that the Dentelles walking trails had not been discovered. They remain, she affirmed, very beautiful.

I desisted from remarking that when it came to back-country incursions by foreign scribblers, Peter Mayle could be regarded as an absolute late-comer; in the 14th century the Italian poet Petrarch had made the ascent of Mont Ventoux and written about it.

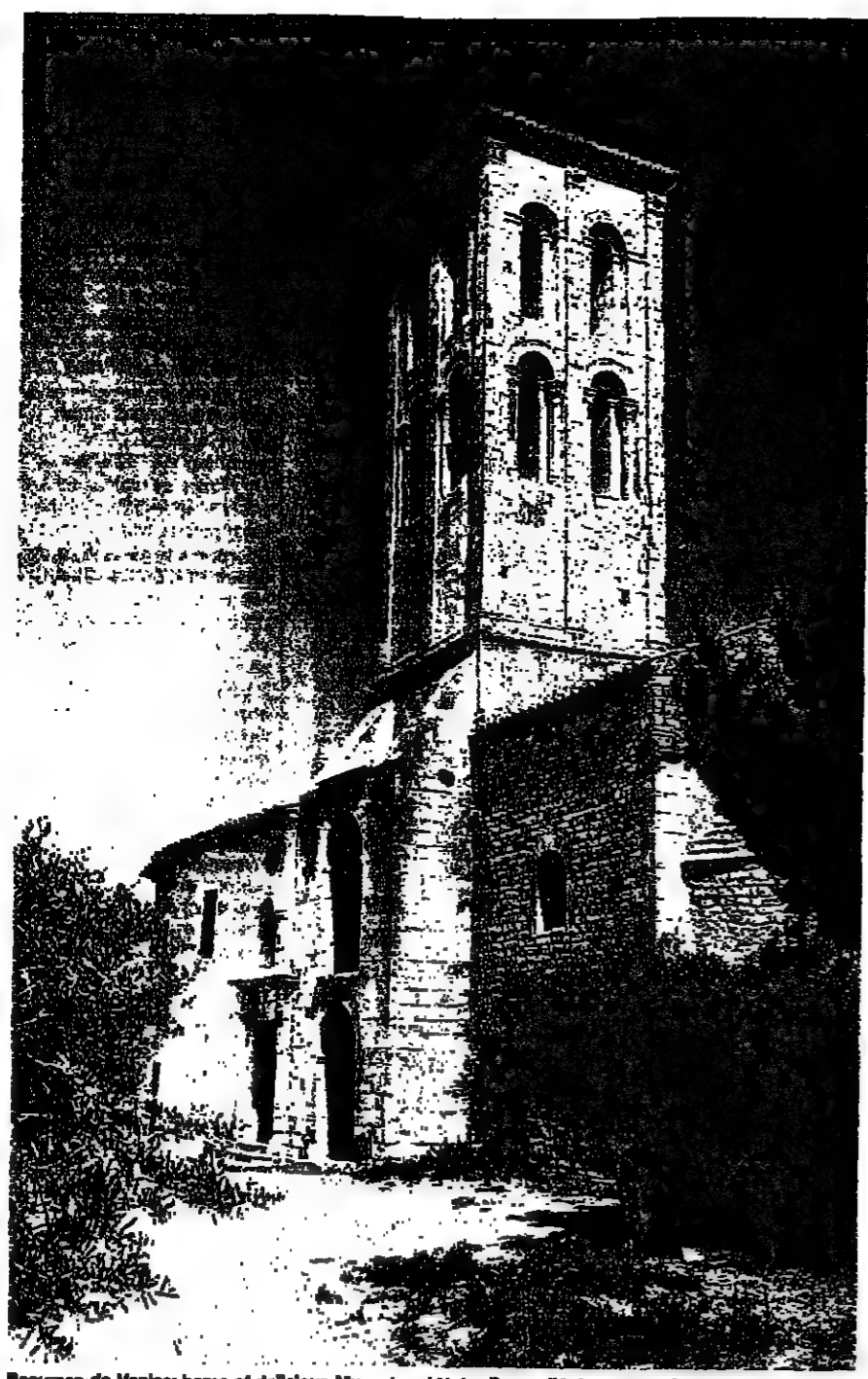
But Norton was right, I thought, as I drove up into the Dentelles massif to the hamlet of Suzette. From the high, isolated, end-of-the-world spur on which Suzette sits, the Dentelles looked very beautiful and very undiscovered indeed – forests of pine, oak and the aromatic Mediterranean undergrowth known as *garrigue* stretched into the distance. No matter what sophistication lies on the other side of these hills, it is still possible to get seriously lost here.

By the time I reached Crestet, a couple of miles from Vaison and near the end of my circuit, I thought I might have at least part of the answer to my question. Relatively unknown, Crestet is one of the most enchanting and best-preserved medieval hill-villages in all Provence. Strolling through its steep and crooked stone streets, I saw that barely a false note was struck here. Built of local materials and arranged along the natural contours of the hillside, everything – church, houses, fountains, squares, roads – fitted together in a wonderfully integrated whole.

And that, it seemed to me, is what makes the Dentelles and many other parts of Provence so alluring. It is not a question of lists of many separate things, but the fact that these things fit in immediate juxtaposition and still fit beautifully together.

Men have lived here for thousands of years, exploiting this land intensively. Yet in this mix of the natural and the cosmopolitan, the wild and the civilised – mountains, music festivals, vineyards, *châteaux*, street-markets, *garrigue* and all the rest – nothing overwhelms anything else.

There is some sort of genius there. Add to it a lot of sunshine, I thought as I drove home to my own little village, and you have somewhere to live.



Beaumes-de-Venise: home of delicious Muscat and Notre Dame d'Aubonne church

Woodsworth

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Kaye says the system is only remaining cause of

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MOTORING / SPORT

Motoring

Country cars for thrusting townies

Stuart Marshall on 4 x 4s that are a far cry from the old toughies

How simple life used to be when there were only two kinds of four-wheel drive vehicle. There were rough, tough, working types for farmers, and tarty-up recreational versions for people who fancied driving something that smacked of broad acres, even though they would be used in exactly the same way as normal cars.

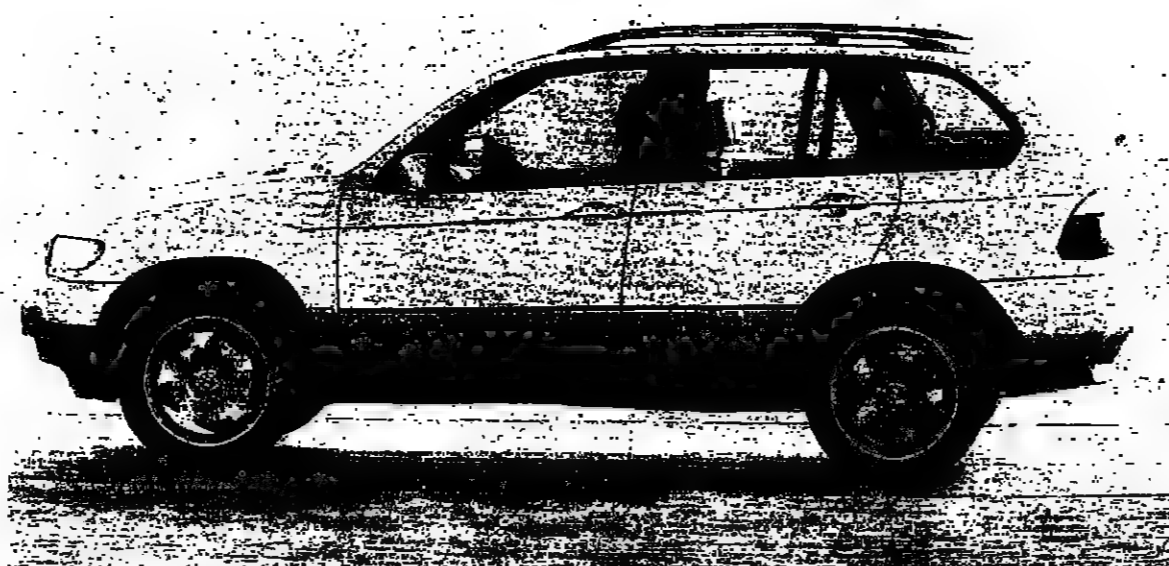
The rough toughies still exist but form a tiny minority. Most 4 x 4s are now niche vehicles, bought as alternatives to all kinds of car, from luxury saloon to roomy estate, family hatchback to sports two-seater.

Towards the end of last year several new 4 x 4s (Land Rover New Discovery and Jeep's New Grand Cherokee among them) made their bow, and there are signs the rush will continue this year. Manufacturers, or at any rate their advertising agencies, continue to promote the idea that all 4 x 4s

are going to be used to cross deserts, ford raging torrents, and climb snowy mountains. In most instances, this is pure myth. Actually, it becomes harder as each year passes to find rough terrain on which to bang around in a 4 x 4 without offending the law, environmentalists or both. Land Rover, however, reckons that almost one Discovery owner in four goes off the road each week. I find this hard to believe, unless going off road includes pavement parking outside the paper shop, or mounting grass verges on narrow country lanes during the school run.

And yet, because manufacturers believe their customers insist their vehicles must be able to cope with wild blue yonder motoring, they have a built-in suspension problem.

Two of the best-known - Chrysler Jeep and Land Rover - have long been wedded to beam axles simply because nothing beats them on the sort of terrain only



BMW's American-built X5: a 4 x 4 sports activity vehicle little bigger than a 3-Series saloon but with real off-road capability

seen on press launches and similar off-roading jollies. Most other manufacturers adopted independent front suspension to smooth the on-road ride and make handling more like a car than a truck. But change is in the air. With the Freelander, which it admits is aimed at owners who will spend all, or nearly all, their time driving on hard roads, Land Rover broke away from its only beam-axle-will-do philosophy.

Freelander still looks more or less like a proper off-road vehicle, but rides and handles on road like a normal car. So do the Subaru Forester and its bigger brother, the Legacy Outback, which tackle the problem the other way round. They are proper estate cars, but have all-wheel drive and enough ground clearance for as much off-roading as most owners have in mind.

The US-built Mercedes M-class on-off road vehicle, which comes to Britain in a few weeks, has fully inde-

pendent suspension and, I am told, ride comfort and road performance generally closer to what one expects of a Mercedes saloon than any rival 4 x 4. (I shall find out for myself later this month.)

Its off-road mobility depends on all-wheel drive with electronic systems that curb wheelspin and allocate power to the tyres with most grip. In extremis, a beam-axle Land Rover Discovery or Jeep Grand Cherokee might well leave an M-class floundering - but is this important to 99 per cent of customers? Mercedes thinks not.

BMW has similar customers in mind for its latest product, the X5 sports activity vehicle, which makes its debut at the Detroit motor show today, goes on sale in the US by the end of this year and reaches Britain in summer 2000.

It has all-wheel drive and electronic hill descent control (pioneered by Land Rover in the Freelander) for off-roading but its habitat will be the country club, not

the boondocks. BMW says the X5 has the agility of one of its saloon cars plus space and practicality. In size, it is closer to a 3-Series Touring than a Land Rover Discovery. Engines will include a new 3.0-litre common rail turbo-diesel combining exceptional muscularity with the potential fuel economy of a small family car.

Audi, too, has just announced it is going to make a car cast in a similar mould to the BMW X5. The Allroad Quattro, that will start coming off a German assembly line in February next year, uses an Audi A6 Avant body but has three-stage, height-adjustable air suspension and a reduction gear transmission for tackling difficult terrain. Two V6 engines, one a petrol unit with a double turbocharger, the other an advanced turbo-diesel, will be offered.

More affordable cars similar to the X5 and Allroad Quattro are likely to be offered by high-volume manufacturers. But the more

conventional on-off road sports utility is alive and well. The £9,995 Suzuki Jimmy that reached British buyers last autumn looks smart enough to use around town. But, as it has a proper off-roader's two-range transmission and ample ground clearance, it is also a surprisingly competent performer over what one might call Land Rover country.

Possibly encouraged by the continuing success of Chrysler Jeeps in Britain, General Motors has decided to dip its toe into the premium four-wheel drive market with the Chevrolet Blazer.

This 4.6-litre V6 4 x 4 estate car has manual or automatic transmission, a very good on-road ride - apart from the inevitable rear-axle thump on broken surfaces - and understated lines. Prices from £22,925 (manual) to £24,925 (Lux Auto) are quite keen and the Blazer will be available from Cadillac dealerships in the UK in a few days.

Deals on Wheels

Just forget the niggles

For under £40,000 and with 50,000 miles on the clock there is no better buy than a Bentley Turbo R. An Audi A8 2.8, BMW 735, Jaguar XJ6 4.0 and Mercedes S-class 2.8 all cost more new and these are the poverty models; even the cheapest Range Rover is more.

Not that I would recommend the Turbo R as an everyday car. You would soon find the running costs enough to understand the attraction of continental rivals. If the annual mileage could be kept below 7,500, the mathematics start to make sense. Fuel consumption, that most visible of expenses, would not be cause for complaint if depreciation were discussed.

Nobody would be rash enough to claim this Bentley will not lose further value, but it will do so at a steeper rate than anything more modern. Insurance can be cheap on a limited mileage basis and maintenance can be contained if a reputable (but not franchised) dealer is used.

What will the money buy you? A truly magnificent car that will cosset you in quiet comfort, although no longer in clock-ticking silence - that died with quartz and aluminium engines giving high output sufficient to move a heavy car at inconstant speeds. The highest quality leather

from Scandinavian cows covers large areas and there's a silky swathe of burr walnut from Italy. To see the wood when there are no instruments in the dashboard is a triumph of craftsmanship. Few appreciate the subtlety of the mirror image wood and its individuality.

Luxury notwithstanding, there are some irritants. Wind noise can stifle a conversation and leather's low friction might mean passengers bump into each other. All this will only happen though at the illegal speeds this car can reach.

The chassis was never designed for the inputs the Turbo R is capable of and it often complains as it goes about its work. The car is, of course, sizeable and could be a tight fit for the garage.

Nevertheless forget all the niggles. Buy it and enjoy the car for what it is. Sit in traffic jams noticing how uncomfortable and small all the other cars seem. Adjust the sound system to drown out the few remaining external distractions.

Destroy a young upstart in his GTI with the R's breathtaking performance or just allow him to think he is superior.

You may not admire this car's looks but you will love its abilities. Start a journey tired and end it relaxed.

Anthony Cazalet

An unexpected - even poignant - spotlight was thrown on boxing in the UK's New Year Honours List. Both world featherweight champion Naseem Hamed and his former trainer, Brendan Ingle, were awarded the MBE, with Ingle's citation mentioning "services to disadvantaged young people" at his gym in a blue-collar suburb of Sheffield, in northern England.

The most celebrated of Ingle's protégés is undoubtedly Hamed. As the seven-year-old son of poor Yemeni immigrants to the tough steel town, Hamed was already an accomplished street-fighter when Ingle introduced him to the ring. Seventeen years later, the champion is unbeaten in 31 fights - including 26 knock-outs - and a multi-millionaire.

In the past, commentators have fallen over themselves to praise Hamed's speed, strength and aggression, while fight fans have rated him the most exciting boxer at his weight that Britain has seen. His cool, street-smart style has made him, at the age of 24, an icon for millions of young people and brought the sport a new audience. In Middle Eastern countries, Hamed is the best-known sportsman in the world.

However, what the government's advisers could not have foreseen was that two weeks before the announcement of their honours, Ingle and Hamed would part company when a simmering feud became an acrimonious divorce. Two men who had been like father and son, conquering the world together, parted on bad terms.

Obviously it was about money. Ingle was aggrieved that his £75,000 trainer's bill for a fight in New Jersey last autumn was still unpaid. In reality, both sides were growing apart. Hamed seeking independence, as young men do, Ingle finding it tough to see 30 years of experience ignored.

The publication of *The Paddy and The Prince: The Making of Naseem Hamed*, by boxing writer Nick Pitt was probably the final straw. Ingle had given Pitt generous access to his thoughts and memories, and although the best-selling book was far from one-sided, to impartial readers Hamed came across as something of a brat.

However, the boxer has more pressing problems. He is scheduled to defend his title in March and at present has no trainer. After the



The boxer still known as Prince fighting Wayne McCullough, in Atlantic City in October last year

Boxing

Profit and honours

But Naseem Hamed's career is coming apart, says Keith Wheatley

split with Ingle, the gym where he has trained every day of his adult life is no longer open to him. The Hamed brothers who now form Naseem's "management entourage" say an American trainer has been signed, but will give no details.

Hamed's last few fights have been lacklustre affairs, with the champion struggling to prevail. His next match, against an as yet unknown opponent, needs to be significant if he is to re-establish his momentum. "He's at a crisis point in his career," says former world champion and Sky TV commentator Barry McGuigan. "He needs to excite people again and he can only do that by fighting dangerous opponents. Naz badly needs to reaffirm his position."

"I think he's got carried away with his own importance and started to believe his own hype. Plus [there is] the oldest problem in boxing when the mean, hungry fighter becomes the rich young man about town and loses his appetite for the game. He'll need a good trainer."

Ingle, for one, will not be tempted back. "Naz started going off the rails about four years ago," he says, "neglecting his technique, especially

footwork and movement. He just wanted to knock everybody out, banging them about. I don't need it any more. I've plenty of good young fighters coming on."

With Ingle out of the picture, one might expect Hamed to be looking to promoter Frank Warren to provide continuity in his young life and career. However, relations between the two

have been strained since last October's fight against Wayne McCullough in Atlantic City. There was a muddle over entry visas which kept the boxer delayed in London for two days, for which Hamed blamed Warren. Feelings grew so sour that Warren threatened to return to England just 48 hours before the bout.

Hamed's camp is unwilling to say whether it will be working with Warren in future. Riath Hamed, Naseem's older brother, sim-

ply says there are a number of outstanding issues before anything can be settled.

With his high court battle against Don King due to start in London on Monday, and a subsequent battle against the taxman looming, Warren probably has more urgent matters on his mind.

"Legal cases seem to be what Frank is all about. There is always something he wants to stand up in court and fight over," laments Riath, who has progressed steadily towards controlling the business side of his sibling's career during the past three years. Riath has a degree in politics and worked as a local authority translator before moving to what has become the family business.

The whole operation has now moved into plush offices in a converted confectionery factory in a fashionable Sheffield suburb. The corporate HQ is called Prince House and runs smoothly in the marketing of its single product.

Riath has often said that he assumed his present role at his brother's request rather than through personal interest in the fight game. "At first I didn't really want to be in it, to be in the boxing game, but Naz said he would rather have me than anyone dodgy handling

his affairs," he explained in *The Paddy and The Prince*.

McGuigan says that even if Warren is history for Hamed, the family will still need an experienced promoter. "Riath can't do it on his own, and that's not a personal criticism of the man," says the former world champion.

"A promoter has so many worries and the nearer you get to the fight the more stressed he becomes. Riath is close to Naz and he'll pick up on that, which is the last thing a boxer needs."

Even Ingle, not exactly an impartial observer, believes that his former charge is more in need of a productive relationship with a top promoter than anything else at present - even a trainer.

"To succeed in boxing three things have to be right: the fighter, the trainer and the promoter," says Ingle. "And the most important of these is the promoter. Frank Warren did an unbelievable job for Naz, made him the highest paid featherweight in boxing history."

"He's talking about fighting at lightweight, being his own manager, and all that under the guidance of a brother who doesn't know the time of day. Riath couldn't begin to do for Naz what Frank has done."

Michael Thompson-Noel

World soccer boss puts it in the net

Sapp Blatter, the boss of FIFA, world soccer's ruling body, is the man likely to make most headlines when the tired old business of 20th century sport is elbowed aside by the shiny, pushy meta-business of 21st century sport next January 1.

This week, Blatter suggested that soccer's World Cup finals, which are the showcase for the planet's most successful sport, be staged biennially, rather than once every four years. The suggestion provoked squawks of incredulity, but Blatter's critics gravely underestimate their man.

There are two reasons why soccer has become the most popular sport on earth: 1) it is a truly fine game to watch and to play; 2) at FIFA's level it has been managed by men of intelligence.

Initially, Blatter indicated he wanted the first of his biennial World Cup tournaments in 2003, with regional qualifying events in odd-numbered years. But he has had to change his tune, to make clear he does not want the World Cup to collide with the summer Olympics, which are staged every four years, in even-numbered years.

There is now speculation that, if the two-year format is approved, the World Cup finals will be staged in all odd-numbered years. "One can start changing the calendar from 2005 on," Blatter said in Zurich on Wednesday, after a chat with Olympic president Juan Antonio Samaranch. And he agreed that it would have to be seen whether "society can digest this amount of football".

Blatter's boldness has

reopened old battles between FIFA and the regional soccer bodies for control of the soccer calendar, and of money and power. But the plan also increases the pressure on other sports, major and minor, including the Olympics, to get their houses in order so they can compete efficiently for international sponsorship and TV money against the planetary juggernaut that is soccer.

The top men at Uefa, which runs European soccer, were snuffy at the way Blatter is out-gunning them. Uefa's general secretary, Gerhard Aigner, said that Blatter's plan could have financial repercussions. "Economically, the market is not inexhaustible," he whined. "We cannot eternally expand, hoping to multiply the profits."

However, Blatter says his scheme is "a concept that I have examined in great depth and which can be described (as) ... realistic, realisable, reasonable and rational".

Nor, claims Blatter, is his controversial plan a bald money heist. World TV rights for the 2002 World Cup tournament (to be hosted jointly by Japan and South Korea), and for the one due in 2006, are expected to earn about \$1.8bn.

But Blatter says he would not be upset if FIFA received less than half that sum - he mentioned \$300m - as an early benchmark sum for a biennial World Cup tournament. "I want the change... out of love, not because of the money."

Curiously, Gerhard Aigner of Uefa claims that "in all

this, the great loser is the spectator, whom FIFA has forgotten about. In fact, everything we do should be acceptable to the consumer and be in his interests."

That remark is not so much Delphic as incomprehensible. Like all offices, the FT's contains a large number of clinically besotted soccer fans. You see them in corners, muttering crossly or jubilantly, depending on results. When I asked some of them whether they wanted a World Cup tournament every two years instead of four, all drooled happily.

"If you ask me whether I want to see Ronaldo [one of Brazil's stars] in the World Cup finals every two years instead of four, then I'd say every two years every time," said one.

People who watch too much soccer often talk like that. But there are hundreds of millions of them, and they will not be denied.

□ □ □

In Australia, they are squabbling about who should open the Sydney Olympics in 2000. Kim Beazley, leader of the opposition, thinks the honour should go to Australia's governor-general, Sir William Deane, while prime minister John Howard thinks he should open the games. My own peace-keeping suggestion is that the 2000 Olympics be opened by Miss Queensland.

This might strain relations between Queensland and New South Wales, where Sydney is located. But it has to be stated that Miss Queensland is always a stupendous natural marvel.

M.T.N.

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INTERNATIONAL ARTS GUIDE

What's on
around the
world

AMSTERDAM

EXHIBITIONS

Rijksmuseum
Tel: 31-20-673 2121
● **Adrian de Vries (1566-1626):** Imperial Sculptor. Major exhibition celebrating the work of the Dutch sculptor, who worked for Emperor Rudolf II among other European courts. Around 40 bronzes will be on display, borrowed from public and private collections in Europe and the US. One highlight will be the fountain statues from the gardens of the Swedish palace of Drottningholm, reconstructed in the museum's Gallery of Honour; to Mar 14.
● **Japanese Scrolls:** 40 works from the collection of the Kumamoto Prefectural Museum of Art in Japan. These include depictions of courtesans, daily life and poetic illustrations of nature; to Jan 17.
● **The Festival of Lithography:** celebration of the 200th anniversary of the discovery of lithography. The exhibition consists of works from the collection, including lithographs by Toulouse-Lautrec, works by Cézanne, Manet, and Dutch artists including Van Gogh; to Jan 10.

BARCELONA

EXHIBITIONS

Fundació Joan Miró
Tel: 34-93-329 1908
www.bcn.fjmiro.es
Magritte: an exhibition celebrating the centenary of René Magritte's birth. It contains over 90 paintings and 50 photographs by the Belgian Surrealist, which are grouped into 5 recurrent themes from his work; to Feb 7.

Musée Picasso
Tel: 34-3-319 6310
Picasso - Engravings 1900-1942: temporary exhibition with more than 250 works from the Musée Picasso in Paris. It presents Picasso's engravings as a diary, a daily examination of his emotions: it follows the different themes and techniques that inform the artist's work; to Apr 4.

BERLIN

EXHIBITION

Hamburger Bahnhof
Sensation: works from the Saatchi collection of Young British Artists including Damien Hirst, Rachel Whiteread and the Chapman brothers. Originated at the Royal Academy in London last year, where it attracted 350,000 visitors and maximum publicity; to Jan 17.

BIRMINGHAM

EXHIBITION

Birmingham Museums and Art Gallery
Tel: 44-121-235 2834
Sir Edward Burne-Jones: comprising more than 200 works, including tapestries and jewellery as well as paintings. A second generation Pre-Raphaelite, Burne-Jones also had a lifelong working relationship with William Morris, for whose firm he worked as a principal designer. The exhibition will travel to Paris later this year; to Jan 17.

BONN

EXHIBITION

Kunst- und Ausstellungshalle der Bundesrepublik Deutschland
Tel: 49-228-917 1200
www.kah-bonn.de
High Renaissance in the Vatican: Art and Culture at the Papal Court (1503-34). The early 16th century saw Papal Rome establish itself as the centre of art in Europe: the Vatican commissioned work from such great artists as Leonardo da Vinci, Michelangelo and Raphael. This exhibition displays some of the masterpieces that resulted, as well as detailing the contexts in which they were produced; to Apr 11.

CHICAGO

EXHIBITION

Art Institute Of Chicago
Tel: 1-312-443 3600
www.artic.edu
Mary Cassatt: Modern Women. 125 paintings, drawings and prints by the only American to exhibit in the Impressionist exhibitions in Paris. Closely associated with Degas, Monet and Pissarro, in later life she became a famed collector and patron; to Jan 10.

COLOGNE

EXHIBITION

Oper der Stadt
Tel: 49-221-221 8240
Die Vögel: first modern staging for Walter Braunfels's opera. Premiered in 1920, it was banned by the Nazis and largely forgotten until a recent recording. This production is conducted by Bruno Weil and staged by David Mouchtar-Smorali; Jan 15.

COPENHAGEN

EXHIBITION

Louise Museum of Modern Art, Humlebaek
Tel: 45-4919 0719
www.louisiana.dk
Joan Miró: major retrospective comprising 140 paintings, drawings and sculptures, including works borrowed from the artist's family since the exhibition was shown in Stockholm over the summer; to Jan 10.

DUBLIN

THEATRE

Abbey Theatre
Tel: 353-1-878 7222
The Rivals: by Sheridan. New production directed by Brian Brady.



A series of stamps honouring the 50th anniversary of the New York City Ballet next week will feature selections from the repertory

and designed by Conor Murphy, with lighting by Trevor Dawson; to Jan 23.

EDINBURGH

EXHIBITIONS

National Gallery of Scotland
Tel: 44-131-624 8200
Turner Watercolours: shown every January for 90 years, this magnificent selection of 38 watercolours was bequeathed by Victorian collector Henry Vaughan in 1900; to Jan 31.

Scottish National Portrait Gallery
Tel: 44-131-624 8200
John Ruskin: exhibition exploring the influence of the Victorian critic and theorist. Includes drawings, watercolours and photographs; to Mar 7.

FLORENCE

EXHIBITION

Palazzo Pitti
La Dama con l'Erminellino: Leonardo da Vinci's 1489 portrait of the young mistress of Duke Ludovico of Milan travels to Italy for the first time since 1800, when it was purchased by the Polish Prince Czartoryski; to Jan 24.

FRANKFURT

EXHIBITION

Schirn Kunsthalle
Tel: 49-69-232 8820
Treasures from King Zhao Mo: king Zhao Mo's tomb, sealed in 122 BC, was accidentally discovered in 1983 by construction workers. This exhibition displays the many treasures buried with Zhao Mo, the first time they have been seen in the west; to Jan 22.

HAMBURG

EXHIBITION

Kunsthalle
Kandinsky, Chagall, Malevich and the Russian Avant-Garde: show tracing the art movements between the Russian revolutions of 1905 and 1918, and focusing on attempts by artists to fuse aspects of folk culture with Western modernism. Many of the 100 works on display are on loan from Russian museums; to Jan 10.

HELSINKI

EXHIBITION

Museum of Contemporary Art
Tel: 358-0-173 361
Bruce Nauman: spanning the career of the American artist, b.1941, this exhibition focuses on his relationship with language, and includes sound and video installations as well as neon pieces like One hundred live and die (1984); to Jan 24.

HOUSTON

EXHIBITIONS

Museum of Fine Arts, Houston
Tel: 1-713-639 7750
www.mfa.org
● **'A Grand Design: The Art of the Victoria and Albert Museum.** North American tour of selected objects from the V&A's collection. Consists of 250 works of art ranging from Leonardo da Vinci's notebooks to shoes by Vivienne Westwood, presented in sections which address changes in the institution's collecting policy; to Jan 10.
● **Brassai: The Eye of Paris.** A retrospective of Brassai's work that coincides with the 100th anniversary of his birth. Dubbed 'the eye of Paris' by Henry Miller, Brassai celebrated that city in photographic series like 'Dance', 'Society' and 'Graffiti'. The exhibition includes the widely-acclaimed 'Paris at

Night' series: photographs taken during nocturnal wanderings with the flâneur and poet Léon Paul Fargue. Also on view are portraits of other artists and writers of Brassai's time, among them Dali, Picasso and Genet; to Feb 28.

LAUSANNE

EXHIBITION

Musée Cantonal des Beaux-Arts
Tel: 41-21-312 6332
Courbet: artist and promoter: more than 70 paintings by Gustave Courbet (1819-77), including landscapes, portraits and nudes. The exhibition concentrates upon Courbet's artistic output after 1855, especially that produced during his exile in Switzerland; to Feb 21.

LISBON

EXHIBITION

Fundação Arpad Szenes - Vieira da Silva
Tel: 351-1-388 0044
Alberto Gleasonetti: Arpad Szenes and Vieira da Silva met Gleasonetti in the 1930s, through gallery owner Jeanne Bucher. The 19 sculptures and 20 drawings on display here are loaned by the Maeght Foundation, Saint-Paul, and include such famous pieces as Femme de Venise and Homme qui marche; to Jan 31.

LONDON

CONCERTS

Barbican Hall
Tel: 44-171-638 8881
● **BBC Symphony Orchestra and Chorus:** conducted by Andrew Davis in works by Messiaen. With piano soloist Stephen Osborne; Jan 16.
● **London Symphony Orchestra:** conducted by Ryszard Murnaghi in works by Saint-Saëns and Tchaikovsky, as well as the UK premiere of Sofia Gubaidulina's 'The Canticle of the Sun'. Featuring cello soloist Mstislav Rostropovich; Jan 13.

EXHIBITIONS

British Museum
Tel: 44-171-638 1555
The Golden Sword: Stamford Raffles and the East. Display bringing together biographical material with objects collected by the self-taught scholar who is chiefly remembered as the founder of Singapore. Includes musical instruments, masks and shadow puppets collected by Raffles when he was Lieutenant Governor of Java (1811-18), and plate and animal drawings; to Apr 18.

Royal Academy of Arts
Tel: 44-171-300 8000
Charlotte Salomon: born in Berlin in 1917, Charlotte Salomon fled to Auschwitz in 1943, after living in hiding in the south of France for three years, during which time she produced a series of 789 gouaches called Life? Or Theatre?, exhibited here, which has been interpreted as a form of self-protection against the violence of the Nazi era; to Jan 17.

Tate Gallery
Tel: 44-171-887 8000
● **John Singer Sargent:** large-scale retrospective containing 150 paintings, including major public and private loans. Includes late landscapes and American and British society portraits from the 1880s to the early 1900s; to Jan 17.
● **Turner in the Alps:** undertaken in 1802, this was J.M.W. Turner's first visit to continental Europe. The exhibition contains 68 works on paper, revealing the artist's initial impressions of the inspiring landscapes he encountered;

to Feb 14.

Victoria and Albert Museum

Tel: 44-171-938 8500
● **Aubrey Beardsley:** more than 200 drawings, prints, posters and books created during the brief period of the artist's fame. A member of the fin-de-siècle avant-garde, Beardsley left England for Dieppe following Wilde's disastrous libel action and subsequent imprisonment in 1895. The exhibition marks the centenary of Beardsley's tragically early death, aged 25; to Jan 10.
● **Girling Gibbons and the Art of Carving:** drawings, carvings and religious reliefs are displayed alongside the Cosmo panel, commissioned by Charles II and the woodcarver's masterpiece. The exhibition also aims to present some historical context; to Jan 31.

THEATRE

Albery
Tel: 44-171-878 1115
Mr Purtillo and his men: Kathryn Hunter's production of Brecht's satirical comedy moves from its October run in the Almeida Theatre to the West End. Comedienne Sean Foley and Harish McCall play the title roles; Jan 9.

National Theatre
Tel: 44-171-928 2252
Betrayal: by Harold Pinter. Trevor Nunn directs Pinter's 1978 play, with a cast including Anthony Califf and Imogen Stubbs; Lyttelton Theatre; Jan 9, 11, 12.

LOS ANGELES

EXHIBITION

Metropolitan Museum of Art
Tel: 1-212-879 5500
www.metmuseum.org
● **Dosso Dossi, Court Painter in Renaissance Ferrara:** Dosso Dossi was the last of the Ferrarese painters, much influenced by Giorgione and Titian. This exhibition includes rarely lent masterpieces from the Borghese Gallery in Rome and other European collections; from Jan 14 to Mar 28.
● **Heroic Armour of the Italian Renaissance:** Filippo Negroli and His Contemporaries. Comprehensive survey of the classically inspired armour made by the most celebrated Italian armourer of the 16th century. Includes more than 80 richly decorated suits of armour, worn by Renaissance kings and captains. Includes public and private loans from Europe and North America; to Jan 17.
● **Mary Cassatt: Drawings and Prints.** Coinciding with a major retrospective at the Art Institute of Chicago, the Metropolitan Museum has organised an exhibition of most of its extensive collection of Cassatt's work. The quintessential American artist in search of European experience, Cassatt used Impressionist techniques to depict the lives of women in and around Paris, increasingly concentrating on mothers and nurses with children; to Jan 24.
● **Sacred Visions: Early Paintings from Central Tibet.** 60 works from the 11th to the mid-15th century, including thangka (paintings on cloth), painted book covers and related sculptures; to Jan 17.
● **The Nature of Islamic Ornament, Part II: Vegetal Patterns.** Second in a four-part series on Islamic ornament from the 9th to the 18th century. Includes rare brocades and carpets; to Jan 10.

MADRID

EXHIBITION

Fundación Juan March
Tel: 91-435-48 40/435-42 40
Marc Chagall: Jewish Traditions. 40 paintings by the Russian-French painter, produced between 1909 and 1976. They detail Chagall's progression through such styles as Expressionism, Cubism and Surrealism; from Jan 15 to Apr 11.

MILAN

EXHIBITION

La Scala
Tel: 39-02-88791
The Fiery Angel: by Prokofiev. Bruno Bartoletti conducts a staging by Giancarlo Cobelli, with Karen Huffstodt and Elmira Magomedova singing alternate performances as Renata; Jan 14, 16.

MUNICH

EXHIBITIONS

Haus der Kunst
Tel: 49-89-211270
● **Lyonel Feininger (1871-1956):** From Gelmorode to Manhattan. First comprehensive retrospective of the German-American painter, who was forced to leave Germany during the 1930s and subsequently worked in New York. The 120 works on display include important public and private loans, and paintings by some of Feininger's contemporaries; to Jan 24.
● **The Night:** exploring the

development of the nocturne, or night time scene, in western art from the 15th to the 20th century. Includes early examples by artists including Cranach, baroque works by Caravaggio and his followers, and works by the German romantics; to Feb 7.

OPERA

Bayerische Staatsoper
Tel: 49-89-2185 1920
www.staatsoper.bayern.de
Lohengrin: by Wagner. Peter Schneider conducts, in a staging by Götz Friedrich. Cast includes Adriane Pieczonka and Waltraud Meier; Jan 15.

NEW YORK

DANCE

New York City Ballet, New York State Theatre
Tel: 1-212-870 5570
● **Balanchine Black and White Celebration:** George Balanchine, one of the greatest of 20th century choreographers, directed New York City Ballet until his death in 1983. As part of its 50th anniversary celebrations, NYCB presents pieces from Balanchine's Black and White repertory; Jan 9, 10.
● **Celebrating Five Decades of Repertory:** with over 150 active ballets, New York City Ballet has the largest repertory of any dance company in the world. Continuing the celebrations of its 50th anniversary, it presents a selection of works from that repertory, including revivals of Bugaku, Irish Fantasy and Balanchine's Liebeslieder Walzer; Jan 12, 13, 14, 15, 16.

EXHIBITIONS

Brooklyn Museum of Art
Tel: 1-718-638 5000
Royal Persian Paintings: the Qajar epoch 1785-1925. Display of life-sized portrait paintings, manuscript illumination and decorative arts which were the specialties of this previously overlooked period of Iranian art history; to Jan 24.

Guggenheim Museum
Tel: 1-212-423 3500
www.guggenheim.org
1999, Rendezvous: in their holdings of artworks from 1900 to 1945, the Guggenheim and the Centre Georges Pompidou are remarkably similar, with one often owning a preliminary study for a painting in the collection of the other. The closure of the Musée national d'art moderne for renovation has created the unique opportunity for this exhibition, which brings together related works by the same artist, or works by different artists on the same theme. The display, which seeks to highlight differences as well as similarities between the collections, includes works by Picasso, Matisse, Kandinsky and Chagall; to Jan 24.

Guggenheim Museum SoHo
Tel: 1-212-423 3500
www.guggenheim.org
Premises: Invested Spaces in Visual Arts, Architecture & Design from France, 1858-1986. Exploration of the different ways in which artists have engaged with space. Display ranges across installation, film, video, photography and architecture. Includes works by Yves Klein, La Corbusier, Louis Bourgeois and Sophie Calle; to Jan 10.

Metropolitan Museum of Art
Tel: 1-212-879 5500
www.metmuseum.org
● **Dosso Dossi, Court Painter in Renaissance Ferrara:** Dosso Dossi was the last of the Ferrarese painters, much influenced by Giorgione and Titian. This exhibition includes rarely lent masterpieces from the Borghese Gallery in Rome and other European collections; from Jan 14 to Mar 28.
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Museum of Modern Art
Tel: 1-212-708 9480
www.moma.org
● **Jackson Pollock: first US retrospective of the Abstract Expressionist since that held at MOMA in 1967.** Includes more than 100 paintings and 50 works on paper; to Feb 2.
● **Projects 88: Campana/Ingo Maurer.** Exhibition bringing together works by German lighting designer Ingo Maurer and Brazilian furniture designers Fernando and Humberto Campana; to Jan 19.

OPERA
Metropolitan Opera, Lincoln Center
Tel: 1-212-362 6000
www.metopera.org
Die Fledermaus: by J. Strauss. Revival conducted by Patrick Summers. Cast includes Carol Vaness, Jochen Kowalski and Bo Skovhus; Jan 9, 14.

PARIS

CONCERTS

Salle Pleyel
Tel: 33-1-4561 6589
Orchestre de Paris: conducted by Lorrin Maazel in works by Weber, Debussy, Schubert and Ravel; Jan 13, 14.

EXHIBITIONS

Grand Palais
Tel: 33-1-4413 1730
Lorenzo Lotto: Rediscovered Master of the Renaissance. 50 paintings, many of them on loan from churches and museums in Italy. The exhibition has been seen in Washington and Bergamo; to Jan 11.

Musée d'Art Moderne de la Ville de Paris
Tel: 33-1-5367 4000
Mark Rothko: comprehensive retrospective of the Russian-born, American artist. Concentrating upon his Surrealist and Classic periods, the 115 works displayed in this exhibition span Rothko's output between the 1930s and his death in 1970; to Apr 18.

PRAGUE

DANCE

National Theatre of Prague
Tel: 420-2-2108 0131
www.nat.cz/nd
The Nutcracker: by Tchaikovsky, in a staging by Russian choreographer Jurij Grigorovic, with sets and costumes by Simon Vrsaladze; Jan 15, 16.

THEATRE

National Theatre of Prague
Tel: 420-2-2108 0131
www.nat.cz/nd
The Servant of Two Masters: by Carlo Goldoni. Directed by Ivan Rajmont; Jan 11.

ROME

EXHIBITIONS

Palazzo delle Esposizioni
Tel: 39-06-474 5903
Valori Plastici: taking its title from that of a short-lived magazine published by Roman art dealer Mario Broglio, who managed such names as De Chirico, this show includes sculpture and paintings, mainly by Italian artists, but also including little-known works by Picasso, Klee and Gropius; to Jan 18.

Palazzo Ruspoli
Tel: 39-6-6830 7344
www.palazzoruspoli.it
The Denis Mahon Collection: last stop for the touring exhibition of more than 80 Italian Baroque paintings collected by Denis Mahon. Includes works by Guercino; to Jan 15.

ROTTERDAM

EXHIBITION

Kunsthall
Tel: 31-10-440 0300
Up to the bare bones: Human remains in museums. An estimated hundred thousand human beings find their last resting place in Dutch museums, whether in the form of mummies, skulls, skeletons, reliquaries or otherwise. This exhibition is the first to address this phenomenon directly, presenting exhibits from medical, social, ethnographical and archaeological collections; to Jan 10.

SAN FRANCISCO

CONCERTS

Davies Symphony Hall
Tel: 1-415-864 6000
www.sfsymphony.org
● **New York Philharmonic:** conducted by Kurt Masur in works by Beethoven and Shostakovich; Jan 10.
● **New York Philharmonic:** conducted by Kurt Masur in works by R. Strauss and Tchaikovsky; Jan 11.
● **San Francisco Symphony Orchestra:** conducted by Michael Tilson Thomas in works by Mendelssohn, Barber and Mahler. With violin soloist Gil Shoham; Jan 8, 10.
● **San Francisco Symphony Orchestra:** conducted by Michael Tilson Thomas in works by Ives, Bernstein and Prokofiev; Jan 13, 14, 15.

TOKYO

EXHIBITION

Metropolitan Museum of Photography
Tel: 81-3-3280 0031
Love's Body: Rethinking Naked and Nude in Photography. Includes works by Alfred Stieglitz, Robert Mapplethorpe and Catherine Ople; to Jan 17.

WASHINGTON

EXHIBITIONS

National Gallery of Art
Tel: 1-202-737 4215
www.nga.gov
● **Bernini's Rome: Italian Baroque Terracottas from the State Hermitage Museum, St. Petersburg.** 35 rarely exhibited sculptures, bought by Tsar Paul I from Filippo Peretti. Among the 14 artists represented are Bernini and Algardi; to Jan 18.
● **Edo: Art in Japan 1615-1868.** Consisting of almost 300 works, this exhibition provides a comprehensive survey of Japanese art produced during the prosperous and peaceful Edo period. The pieces displayed, many of which have never left Japan before, are arranged thematically into 6 sections: 'Edo Style', 'Samurai', 'Work', 'Religion', 'Entertainment' and 'Travel and Landscape'; to Feb 15.

OPERA
Washington Opera, Kennedy Center
Tel: 1-202-295 2400
www.dc-opera.org
Die Entführung aus dem Serail: by Mozart. L.A. Opera production by Michael Hampe, conducted here by Heinz Fricke; Eisenhower Theater; Jan 9, 11, 13, 16.

Arts Guide by Susanna Rustin
e-mail: susanna.rustin@ft.com
Additional listings supplied by Artbase, tel: 31-20-684 6441
e-mail: artbase@pi.net

FT WEEKEND

True Fiction / James Morgan

How Kafka accounted for the IMF

The role of Franz Kafka as a dominant force in today's international financial system has been recognised only by inference but has never been properly investigated.

Many people find it hard enough to think about Kafka, and totally impossible to think about that forbidding figure and the International Monetary Fund simultaneously.

So when dozens of us received a news release from the IMF headed "Executive Board Praises Kafka's Distinguished Record of Service" all but the most resolute logged out, switched off and ran away. One Nobel economics laureate I questioned described the coupling as "a nightmare scenario struck by a neutron bomb". I, however, pursued the matter and this is what I found.

Franz Kafka made the IMF what it is today. I discovered this because of a hitherto overlooked note in the diary of John

Maynard Keynes where he said that he and Harry Dexter White arrived at Bretton Woods in 1944 with copies of Kafka's *The Condition* in their briefcases.

This book has unaccountably, or perhaps not so unaccountably, disappeared and inquiries about it are always met with studied ignorance. But fragments of the original manuscript have been in my family's possession since great uncle William managed to win Kafka's wallet at a game of skat at the Three Ostrichers in Prague's old town in 1920.

But first a bit of background. Kafka, as is well known, had been an employee of the Workers' Accident Insurance Institute

(WAI) in Prague. That is where the great Czech novelist gained so much of the experience which later illuminated his life and work.

The WAI had a unique organisational system for its time but much was later to be replicated in the IMF's articles of agreement. Look at section two of Article XII: "The board of governors may by regulation establish a procedure whereby the executive board, when it deems such action to be in the best interests of the Fund, may obtain a vote of the governors on a specific question without calling a meeting of the board."

This reflects a world Kafka knew well: the WAI also expected

its governors to vote without meetings being called, or even without the governors being told a vote was taking place.

Now let us also look at the opening of the first chapter of *The Condition*:

"Somebody had been taking Finmin's money, for he woke up one morning without having known his account was empty. The bank official who looked after the money had not told him and had himself disappeared."

So Finmin went to the Fund which dealt with such matters. "You can have some money, on condition," said the Manager of the Fund.

"On what condition?" asked Finmin.

"On condition that you meet the condition."

"What is that condition?"

"That is for you to decide."

So Finmin went home and wrote down a condition. It said that if he could have the money he could pay it back when he could.

The Manager said: "That is a good condition, but you have not met the condition, so you cannot have the money. You will get the money only on condition."

Finmin went back home again and thought hard. He wrote that if he got the money he would then use it so wisely that he would be able to pay the money back.

And the Manager said again that that was a good condition

but now he would have to meet the condition to make that condition work. "And you will have to declare your intent," said the Manager. "That means not just words but deeds."

And so Finmin went home to see what he could do. He wrote that he would work hard and use the loan well and invest it in making everything better.

But when he saw it, the Manager was very angry, telling him that he could not get the money by making everything better. "Your house is too big and it means you are wasting too much. You must adjust its structure. You must make everything worse."

So Finmin went home again, and made everything worse. He

pulled down his beautiful new conservatory, emptied the medicine cabinet, took his children out of school and sold his burglar alarm. He then made his children pay for their food with the money they gained from delivering newspapers to their neighbours. He sold the family silver to the same neighbours and then rented knives and forks from them.

And the Manager said: "You have done very well, so well that you do not need the money. You have met the condition."

Finmin went back home wondering why he did not feel very happy. When he got home he found that his family did not want him any more and told him to go away. He asked the Fund for help, but the Manager said he could not get any help, for the Fund was there to help families and even his family needed no more help now.

Great uncle William said the story ended with Finmin getting a job with the Fund, but we cannot be sure.



Metropolis

A splendid cocoon – at £1,200 a night

Fears of recession are having no perceptible effect on the boom in London's private clubs, writes David Baker

From next week drinkers at Home House, London's newest private members' club, will be able to win or lose jaw-dropping sums of money in an instant, thanks to a direct link-up with IG Index, the City boys' favourite spread-betting outfit.

They will be able to do so in sumptuous 18th century surroundings, sup a fine vintage armagnac while playing, and, for £1,200 a night, sleep it off in some of the most luxurious overnight accommodation in the capital.

Home House is the 12th brainchild of Brian Clivaz, former managing director of Simpson's in the Strand and self-described "feller figure" in the hotel and restaurant world. His baby will be a long way from the dusty gentlemen's clubs of St James's or the more lounge set in Soho.

"There was simply no grand club in London any more," says Clivaz. "I wanted to fill that gap. It is my dream that Home House will live again as the centre for fun, gossip and glorious entertainment it was in the 18th century."

This month's opening will be the culmination of a project lasting more than two years and involving the restoration of a shell of a building to its 18th century splendour. Alongside the more prosaic contractors tramping in and out of 20 Portman Square in London's West End, formerly home to the Courtauld Institute and Anthony Blunt, have been specialists in porcelain restoration, 18th century wallpaper and historic paints. The whole building is now as close as possible to what it was when completed by Robert Adam in 1777.

To be part of Brian Clivaz's dream, Home House's 1,500 members will have to pay £1,500 a year (plus a £1,500 joining fee). And for those who cannot quite make the £1,200 nightly charge for the penthouse, smaller rooms start at £300 a night. It is expensive – but Clivaz is confident he will have a full membership.

"Look at it from an international perspective," he says. "Most London clubs offer you small garret rooms to spend the night in. The international traveller is going to go and stay at

the Lanesborough or the Dorchester. We are offering equivalent accommodation plus the opportunity to be known, to be secure and to have great service."

Clivaz won't say how many members have already signed up, but in November and December he ran a series of champagne receptions (City traders one day, the arts crowd the next) at which potential Home House members could take in the decor and imagine having an 18th century palace at their disposal.

Backing these up is an expensive-looking and mildly camp direct-mail campaign. Under "dress code," the mauve and purple brochure states: "Nudity discouraged. Jacket and tie not required."

Clivaz is ebullient about the mix of people this approach will attract. "Although an exclusive members' club," he says, "it will not be elitist. No restrictions will exist as to members' sex, creed, colour or age." There is one proviso, of course: members must be able to afford the fee.

Nearby, but light years away from the chintz and ruffled cur-

tains of Home House, another London club is preparing to move.

The In and Out, more properly known as the Naval and Military Club, has come to the end of the lease on its premises at 94 Piccadilly – famous for the burning

of the club's Kuwaili landlords are holding out for an increase in rent – unsurprisingly, as the club has been paying less than £5,000 a year since 1955 – and the In and Out will move next month to new premises at 4 St James's Square, formerly home to the

Astor household and temporary accommodation for General de Gaulle during the second world war.

For Sarah Moulder, marketing and membership manager, the move is a chance for the club to diversify. "We need to keep our eyes open for new members," she says. "The number of people in the military is falling and we are now looking for members from other sectors such as professional people living in London."

To lure them the In and Out has cut its annual town membership to £395 (plus £1,000 joining fee) and is softening some of its rules.

"I think equality should run through a club," says Moulder. "From this month, for example, ladies will be able to be full members of the club and have a vote in its running. And members who use the Barbican Street (back) entrance to get to the fitness centre and bannister will not have to wear a tie."

Egalitarians should note, though, that women will still be "discouraged" from setting foot in one or two areas of the club.

Between them, Home House

and the In and Out are spending about £25m on their new properties. (The In and Out's move was helped by a £4.5m sweetener from its landlords.) But with talk of an economic downturn on the way, is the luxury club sector leaving itself exposed by such expenditure?

In fact, the sector is booming. Almost all London clubs, from the Garrick to Soho House, have a waiting list of potential members. At some clubs the wait is only a few months, but it could take seven years to get to the front of the queue at White's.

Business is so good that other clubs are expanding, too. The Groucho Club last year bought the restaurant, 192 Kensington Park Road, and is looking for a "small hotel" in London.

Soho House already has a small hotel – Babbington's, near Bath – and runs a boat at Cannes each year. It is looking for another club, maybe in Glasgow.

"Clubs do well in a recession," says Clivaz, "because people like to be secure, to be in an environment where they are known, comforted and cocooned. A club can make them feel safe."

And that, says Alan Linn, general manager of Black's, comes down to something fairly basic: "Let's face it. There is a great sense of kudos in offering to take someone to your club. People get a kick out of it. It's as simple as that."

Home House opens on January 15, tel: 0171-670 2000. The In and Out club moves to St James's Square on February 1, tel: 0171-629 5022.

Most people think it is the British who are most obsessed by the weather. Judged by recent experience, including last weekend's in the Washington area, that honour now surely belongs on the other side of the Atlantic.

It is true that American weather can be more extreme. A big flood on the Mississippi, for example, is bound to be more serious than one on the Severn because there are no Malvern Hills and Welsh Mountains to hem it in. Its great overspilling of 1927 gave the nation Herbert Hoover as president one year later, which shows how disastrous it was.

The US also has trailer parks, which spawn tornadoes, and very high mountains, which attract celebrities and therefore heavy snow. Los Angeles, where it

natural disasters of biblical proportions since Rupert Murdoch took up residence there.

But such phenomena used to be part of the warp and woof of American life. In Maine, they batten down for the winter in their crusty Yankee way (ie ferment cranberries). Minnesota expects wicked winter cold and is therefore phlegmatic about it.

Closer to home, the local parish magazine, the Washington Post, warned a week ago last Friday that an ice storm of mega-magnitude was bearing down on the capital and its surrounds. Every TV and radio station chimed in

they said, and watch football.

On Saturday morning, I ventured out in the car from our country place in southern Maryland to buy the morning papers, still a bit twitchy because the radio warnings were louder than ever. And there, in the parking lot of what used to be Bart's Truck Stop, also a brothel in its palmy days, were three big yellow snow ploughs, snouts aloft in anticipation.

We braved Highway 301 to buy necessary supplies – cheap tennis balls, contact lens solution. And on the way back we listened to the inauguration of Tony Wil-

son of Washington and discovered that the threat of inclement weather has caused the ceremonies to be moved inside to the Ronald Reagan Building.

The symbolism of this is interesting, since the number of Republicans living in Washington DC can normally fit into a taxi cab. But Williams, who seems intelligent and funny where his notorious predecessor, Marion Barry, was neither, clearly knew his history. It was Barry's problems with the white stuff – ice and snow uncleared from the streets and then cocaine in a hotel room – which started

Back in front of the fire, I settled down for college football but every time the game got interesting the sound went off and the screen split to allow a local weatherman to intone about impending disaster, power cuts, downed trees and possibly locusts. Nervously, I looked outside to discover it was still perfectly clear, if chilly.

Just before the Louisiana chicken pies and Australian burundy, I heard something patterning on the window, stuck a toe out of the front door and, indeed, nearly slipped. There was a thin film of something cold out there.

still standing, as were the trees and power lines. It was bucketing with rain but there was not a patch of ice in sight, nor was there much the night before, apart from the West Virginia panhandle 50 miles to the west where all the old spies live.

You could chalk it up to another false alarm, the product of hysterical local media terrified to be caught with their pants down, less like Bill Clinton than the British weathermen who failed to predict the great hurricane of 1987 because they were all at a Bob Dylan concert in Wembley Arena.

But I get the feeling it is more

millennial than anything else. What with millennium computer bug problems, impeachment fever, Saddam Hussein and no professional basketball, the US is looking for disasters wherever it can find them.

And with crime on the wane, unemployment down and Newt Gingrich no longer around, where better to seek it than the skies. Just nine months ago we were told a vast asteroid was going to blast us all into a new ice age. Disappointed that it is going to miss earth, the US will happily settle for mere ice storms. The British had better move over.

Chess No 1268: 1 Qc4! Kc7 2 Qc4! Kc8 3 Qc4! Kc7 4 Qc4! Kc8 5 Qc4! Kc7 6 Qc4! Kc8 7 Qc4! Kc7 8 Qc4! Kc8 9 Qc4! Kc7 10 Qc4! Kc8 11 Qc4! Kc7 12 Qc4! Kc8 13 Qc4! Kc7 14 Qc4! Kc8 15 Qc4! Kc7 16 Qc4! Kc8 17 Qc4! Kc7 18 Qc4! Kc8 19 Qc4! Kc7 20 Qc4! Kc8 21 Qc4! Kc7 22 Qc4! Kc8 23 Qc4! Kc7 24 Qc4! Kc8 25 Qc4! Kc7 26 Qc4! Kc8 27 Qc4! Kc7 28 Qc4! Kc8 29 Qc4! Kc7 30 Qc4! Kc8 31 Qc4! Kc7 32 Qc4! Kc8 33 Qc4! Kc7 34 Qc4! Kc8 35 Qc4! Kc7 36 Qc4! Kc8 37 Qc4! Kc7 38 Qc4! Kc8 39 Qc4! Kc7 40 Qc4! Kc8 41 Qc4! Kc7 42 Qc4! Kc8 43 Qc4! Kc7 44 Qc4! Kc8 45 Qc4! Kc7 46 Qc4! Kc8 47 Qc4! Kc7 48 Qc4! Kc8 49 Qc4! Kc7 50 Qc4! Kc8 51 Qc4! Kc7 52 Qc4! Kc8 53 Qc4! Kc7 54 Qc4! Kc8 55 Qc4! Kc7 56 Qc4! Kc8 57 Qc4! Kc7 58 Qc4! Kc8 59 Qc4! Kc7 60 Qc4! Kc8 61 Qc4! Kc7 62 Qc4! Kc8 63 Qc4! Kc7 64 Qc4! Kc8 65 Qc4! Kc7 66 Qc4! Kc8 67 Qc4! Kc7 68 Qc4! Kc8 69 Qc4! Kc7 70 Qc4! Kc8 71 Qc4! Kc7 72 Qc4! Kc8 73 Qc4! Kc7 74 Qc4! Kc8 75 Qc4! Kc7 76 Qc4! Kc8 77 Qc4! Kc7 78 Qc4! Kc8 79 Qc4! Kc7 80 Qc4! Kc8 81 Qc4! Kc7 82 Qc4! Kc8 83 Qc4! 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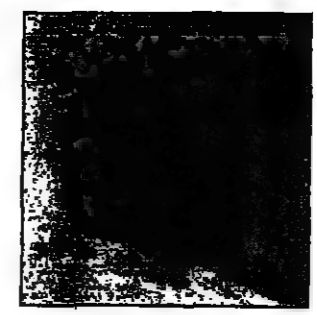
Art on the edge

'The current frantic fashion has created a febrile environment where people pretend it is some kind of a game'



Bugs and the Bard

'How long before Tom Hanks lends his digitally-scanned essence to the role of a bacterium?'



Weimar: City of Culture

'Nowhere in Germany is the question of how high culture yielded to barbarism more insistently present than here'

Swansong for the century

The function of art today is to serve the masses, says Andrew Clark. Will the next millennium see society react by returning to a new form of elitism?

The arts have never been as unnecessary as they are now. Paradoxically, the arts have never been as available as they are now. That is the swansong of our century. It was the century in which, for the first time since man and woman gave aesthetic shape to life, art could be disseminated globally. Education, print, design, technology: these were to be the seeds of paradise, the tools of man's regeneration.

At least, that was the credo of arts visionaries at the last *fin-de-siècle*. It was a creed of altruism. Art was no longer to be the preserve of the aristocracy or the *haute bourgeoisie*. It was to inform every aspect of life. Its goal was nothing less than to open the eyes of the common man to the finer things in life - in short, to make life better.

Zoom forward 100 years. Art is everywhere. We have museums, concerts, design awards, travelling exhibitions. Leonardo's "Mona Lisa" is recognised the world over. Schoolchildren are familiar with Monet and Mozart. Tunes from the classics have been adopted by the advertising industry. National cultures cross-fertilise on a scale that could never have been dreamed of a century ago.

And yet the arts have been marginalised. On the one hand, they are so commonplace that they have become routine and repetitive. On the other, they appear inaccessible next to the million other things that bombard our late 20th century consciousness. Technical reproduction, that genie of the late 19th century, turned out to be a sorcerer's apprentice. It did not simply facilitate the dissemination of the arts; it made possible the creation of popular culture - a phenomenon that had never previously entered the equation because the media did not exist to develop it.

That is why, instead of disseminating aesthetic values, technical reproduction has ended up perverting them. It created a medium for popularising things that have little substance. The power of pop culture lies not just in its superficial appeal, but also in its weight of numbers. It is thanks to that power that the numbers game - ratings, charts, the rule of the market, call it what you will - has become the touchstone of value.

Value today is defined by demand, which is dictated by mass taste - which in turn is determined by the lowest common denominator. Instead of being a collective of individual expression, culture has been reduced to what "catches on" - in other words, what sells most in an age when everything has to be instant, the ephemeral supplants the transcendental. By definition, the arts have a deeper aesthetic and philosophical foundation. They simply cannot compete.

Commercial values are not something new to art. Many composers of the past made a living by trying to please. Most are now forgotten. Even Mozart had to please. But pleasing others was not his primary goal - nor was it Beethoven's, any more than it is Elliott Carter's or Harrison Birtwistle's priority today. Great artists want to communicate - otherwise they would not create - and have always been gladdened when their creations went down well with large numbers of people. But their fundamental aim was to express what they wanted to express: a vision, a dream, a utopia, a countermodel to life, whatever. Happy as they were to entertain, they did not want to do so at any cost. Popular culture must entertain at all costs.

Artists pay heavily for their ideals. Mozart enjoyed far less success in his lifetime than his contemporaries Salieri or Anfossi, who pandered to the market. Beethoven's Fifth Symphony was a failure at its first performance. So was *Carmen*. *Le Sacre du printemps* was booed off the stage. But Beethoven, Bist and Stravinsky survived because they had patrons intelligent enough to realise that they could not dictate what an artist should create.

Today, if art does not please instantly, it will not sell. If it does not sell, the artist will not survive. There is every pressure not to experiment, not to dream for the future, not to suggest a countermodel to life, not to create utopias of love, harmony, freedom. That pressure comes from the market - a dictatorship to which politicians increasingly, surreptitiously, pay court.

The function of art should be to stand outside society, to challenge it, to make people think. But such a philosophy threatens anyone whose power is based on populism rather than educated choice. That is why the function of art today is to serve the masses, to pander to the taste of the majority. If that was not the case, why would we invent such mantras as "access" and "accountability"?

The old elitism, which restricted art to a narrow band of the privileged, has been replaced by a new elitism - the elitism of understanding. Today, "elitist" no longer means the application of the highest standards; it means something that is not comprehensible to everyone within a few minutes. The problem with this is that it subverts the meaning of art. When art ceases to be a challenge, it ceases to be art. It has no future.

Culture today is controlled not by people who know and care about art, but by those



who understand the numbers game and have worked out how to make money from it. How else could a 12-year-old Welsh schoolgirl, a blind Italian tenor, or a scantily clad Oriental violinist make it to the top of the classical record charts? None of these so-called "artists" is technically or musically exceptional. Their value lies in a gimmick factor, which their record companies knew would sell. Why has the soundtrack for *Titanic* proved so popular? Not because it is an original piece of orchestral music, but because it is an amalgam of feelgood sounds. None of these has anything to do with art. They are all manifestations of commercial culture, and as such are no different from the cuddly Furby, this Christmas's must-have toy.

There is nothing wrong with making money out of the arts. Indeed, art cannot survive without an element of commerce. But art loses its essence if its ratings potential becomes more important than its value as an expression of individual creativity. Hollywood would not dare say anything that contradicted popular taste. Nor would Andrew Lloyd Webber. Nor would the backers of the Three Tenors or the Spice Girls. Like the promoters of Charlotte Church,

post-war era, allied to the legacy of the Nazi years, has left the country ill-equipped to withstand the blast of pop culture. Germans are still proud of Bach, Beethoven and Brahms. But, as in the UK and the US, non-pop musical performance is dominated by works that are on average 130 years old. And even that takes up a decreasing slice of the national consciousness.

We are back to the question of "access". Technical reproduction - that is, the media of print, screen, audio and CD - has unleashed a bombardment of sensations and images, for which the human consciousness has only limited space. The less thought-inducing the attack, the more likely it is to succeed.

What can we take forward to the new millennium? It would be a mistake to assume that a century of commercialisation will give way to a century of computerisation. Computers may ease the technical process of creativity but they will not alter its basic forms any more than electronics did. The human mind can be relied on to use a computer no less creatively than it did a harmonic system or a movie screen.

What we will see, thanks to computer-generated media, is a change in the way the arts are sold and consumed. We can look forward to a breaking down of barriers between creator and consumer. The middle man - in the shape of the record company, the publisher, the FR representative - will wither away. Some rock artists are already blurring the trail by dispensing with their record companies and selling direct on the Internet. There is no reason that authors, composers and classical performers should not do the same.

Perhaps society will react to the culture of dumbing down by returning to a new form of elitism - the elitism of those who prize individual excellence and individual expression above mass-produced ephemera. And after this century's fragmentation of old forms and structures, we may start to search for a new alignment of mind and matter, for an aesthetic balance, for a sense of values in which the tyrannies of the media, of beat, of literal fidelity and harmonic breakdown are laid aside. Only then will the arts be necessary again.

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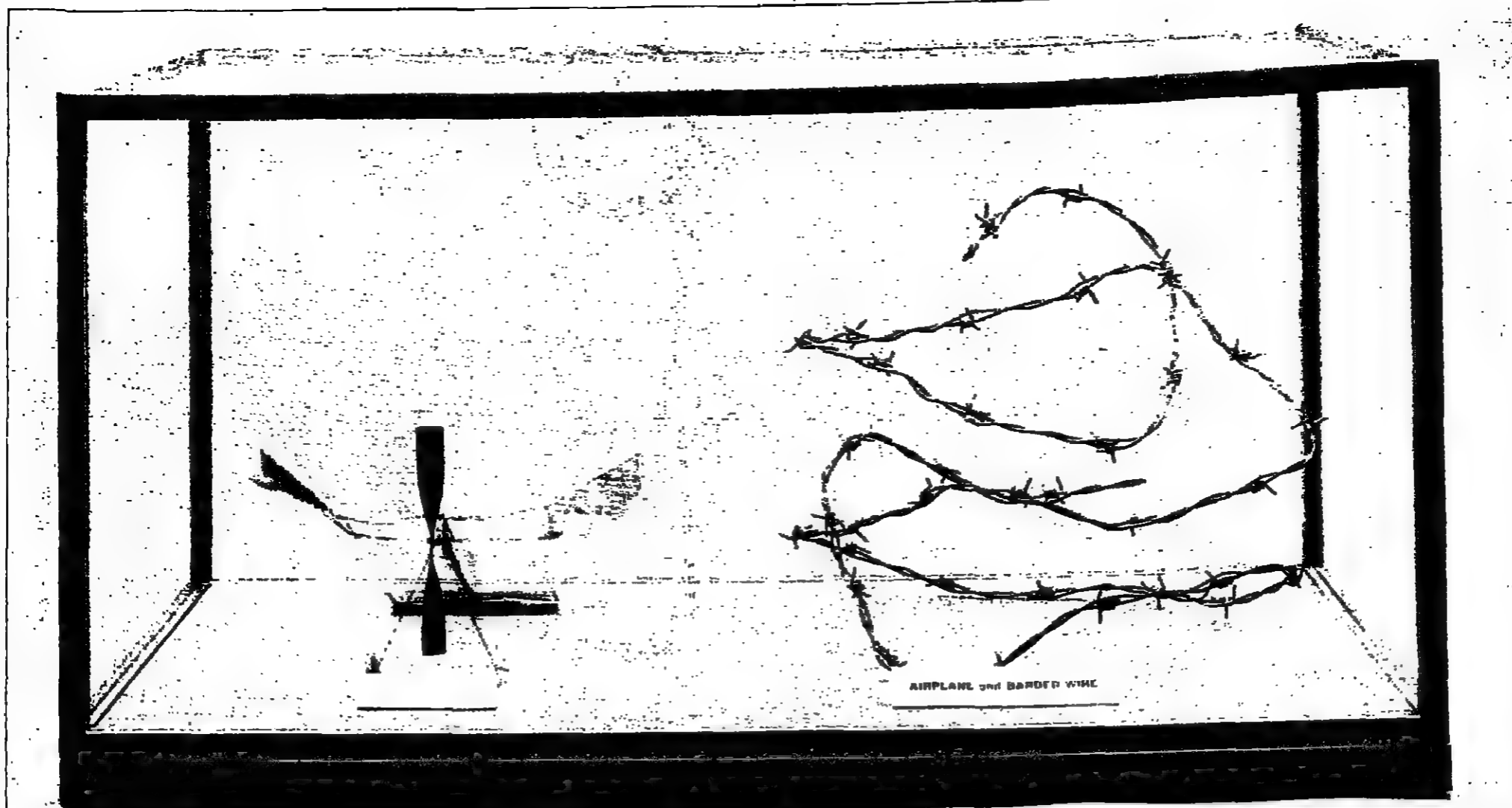
As the century nears its end, a feeling of suspended animation seems to hang over the contemporary art scene. In London at least, the cutting edge seems to have lost its sharpness, the hunger for success which propelled the Young British Artists to worldwide fame dispersed in the soft core fecklessness of their younger contemporaries.

As Rachel Whiteread grapples with the high seriousness of her Holocaust Memorial now under construction in Vienna, and Gary Hume prepares to represent Britain at the Venice Biennale this June, the next generation seems content to play with all the brightest colours in their paintboxes and their favourite furry toys - see the current show at Camden Art Centre - while hanging around waiting for the next big thing. And the really clever ones cover their backs by saying that there will not even be a next big thing; that big things are over, and that making the odd picture in your living room and calling your flat a gallery will do just fine, thanks. Small ideas, suburban comforts will see us through, they murmur, cocooned with the TV and their favourite easy-listening albums while out there, somewhere, the last thousand years of measured time tick to a close.

This is the thinking behind the self-consciously pretty, pretend lighthearted painting and sculpture which dominated London shows as the year drew to a close. There's been "Die Young, Stay Pretty" at the ICA, "Dumb Pop" at the Jerwood Space, and in January the Saatchi Gallery gives the movement its apotheosis with "Neurotic Realism", shown not just once but twice with a second part in September. It is hard to believe that such slight stuff can stand this intensity of scrutiny. While there is no doubt that it is a strong trend that needs to be worked through, the second Saatchi show seems like a hostage to fortune. Surely by September we will be tired of fantasy interiors based on film star homes as painted by Dexter Dalwood or Martin Maloney's posing as a post-modern Poussin, redefining Greek myths in badly painted sex club groupings. Please... can we not be serious, just for a minute?

This desperate frivolity seems to be a peculiarly English condition. No matter how successful the YBAs became, there was always an underlying feeling of "I can't believe I'm doing this" or, as Damien Hirst put it with his usual perceptiveness: "I'm always waiting for someone to stop me. So far nobody has..." American artists, as the great shows of Jackson Pollock and Mark Rothko in New York last year so clearly demonstrated, had no trouble living out the heroism of painting, even if it ultimately led to their tragic deaths.

When the Pollock show arrives at the Tate in March, it will find already there a new installation,



A scale and obsessions beyond irony: Airplane and Barbed Wire from Chris Burden's 'When Robots Rule', a new installation at London's Tate Gallery from March

Gene Ogami

Contemporary art

Cutting edge loses its sharpness

The next wave of young British artists lacks the current generation's daring flair, says Lynn MacRitchie

"When Robots Rule", specially made for the Duveen Galleries by the Los Angeles-based artist Chris Burden. Burden is just as involved in contemporary culture as his British counterparts, using models and toys to make great sprawling table-top metropolises such as "Piss City", but the scale and obsessions of his enterprise takes it way beyond irony to make a serious commentary on our times. A serious look at the world can also be found in the work of South African artist William Kentridge, whose video projections and drawings, dealing with the politics and racism of his homeland, can be seen at the Serpentine Gallery at the end of April.

Chris Burden lives in a canyon outside Los Angeles, able to create a world of his own. The teaming spread of London and the current frantic fashion for art has created a more febrile environment where people work in

each other's pockets and pretend that it is all some kind of game. There is a lot of cod-democracy, too; a notion that anyone can do it. Last summer, the Chisenale Gallery held three shows selected from open submission which attracted thousands of entries, and it plans to do so again in July.

Even the Tate is joining in, inviting all artists living in Southwark "from the internationally famous to the amateur - all will be awarded the same status" to submit small works for its Banksie Brower show in April. To be fair, its programming around the fast-transforming Banksie, still on target to open in 2000, has been, sometimes literally, a breath of fresh air, projecting films outside on the chimney and initiating off-site work such as the film installation by Iranian artist Shirin Neshat at St Mary le Bow church in Cheap-side.

Also south of the river, the South London Gallery on the way to Peckham has already established itself with high profile shows by both YBAs and grannies such as Anselm Kiefer, glad of the chance its high white Vic-

torian spaces give to show enormous paintings. It kicks off the year with Julian Schnabel, wild boy of 1980s New York, not seen in London for more than a decade.

The continuing spread of art venues throughout London, often in fairly inaccessible locations, can make getting around everything a nightmare. One solution is to book a tour with CAST, Contemporary Art Society Tours. Once a month, they whisk punt-

ers painlessly through the labyrinths of Hackney, Hoxton, Shoreditch and beyond: their last tour of 1998 included venues opened only days before, so it's a good way to keep up with a scene which can seem bewildering to the more casual visitor.

One of the most important strands in current art is a sort of careless internationalism. Successful artists travel a lot and curators flit from continent to continent selecting the large scale biennales that have become such a feature of the scene. This year's biennale destinations, apart from Venice in June, are Istanbul in September, Kwanju in August, and Havana, date to be announced. A newcomer is Liver-

pool, whose first biennale will be held in September. Directed by Tony Bond from the Art Gallery of New South Wales, a thoughtful and serious curator, this should be one to catch.

The epitome of the modern curator is surely Hans Ulrich Obrist. Officially based in Paris at the Musée d'Art Moderne, he is always everywhere, looking, talking, writing. Co-curator of "Cities on the Move", the study of contemporary urban development in Asia which comes to the Hayward Gallery in May, he has also, with colleagues Maria Lind and Rebecca Gordon Nesbitt, established Salon 3, a peripatetic exhibition and discussion space temporarily roosting in an empty shop in the Elephant and Castle. Its opening evening summed up the cutting edge art event of the late 1990s. An eminent scientist lectured about artificial intelligence. There were art works dotted about in a casual sort of way

- a few T-shirts, some lines painted on the wall - and the bar downstairs stayed open until four in the morning. For the truly cool, in 1998, down the Elephant may be just the place to be.

■ **Laura Ford and Jacques Poncelet**, Camden Art Centre, until January 31; **Die Young, Stay Pretty**, Institute of Contemporary Art until January 10; **Dumb Pop**, Jerwood Space, until January 17; **Neurotic Realism**, the Saatchi Gallery, January 14-March 28; **Chris Burden**, Tate Gallery, February 16-June 6; **William Kentridge**, Serpentine Gallery, April 21-May 30; **Julian Schnabel**, South London Gallery, January 12-February 28; **Cities on the Move: Art and Architecture in Asia**, Hayward Gallery, May 13-June 27. **Salon 3** information 0171 252 4681 or salon3@hotmail.com. Next **CAST** tours January 30 and February 27. Information and bookings from Kate Steel, 0171 881 7311.

US exhibitions

Beware of the crowds

Impressionist mania also has its downside, says Paul Jeromack

Ring out the Monet, ring in Van Gogh. In the wake of funding cutbacks from the government and private sector, many American museums are increasingly dependent again on powerhouse popular Impressionist and post-Impressionist exhibitions, where the perennial

Monet, Renoir, Manet and Van Gogh have their outputs re-analysed, re-categorised and re-packaged each time with a different slant.

The drawback is that visiting these shows usually offers about as much aesthetic uplift as a Tokyo subway car during rush hour. Hoping to alleviate the situa-

tion somewhat (and taking their cue from many local gyms), the Los Angeles County Museum of Art will keep "Van Gogh's Van Gogh: Masterpieces from the Van Gogh Museum, Amsterdam" (January 17-April 4) open 24 hours a day - though reservations must be made early.

Expect similar crowding at "The Collection of Dr Gachet" at the Metropolitan Museum of Art (May 25-August 18), which features more than 50 paintings and drawings collected by this homeopathic physician who was friend to Pissarro, Cézanne, and Van Gogh.

In contrast with her male Impressionist brethren, the American Mary Cassatt has still not received her critical due, a fact perhaps less due to her sex than to her nationality. After closing at the Art Institute of Chicago on January 3, "Mary Cassatt, Modern Woman" travels to the Museum of Fine Art, Boston (February 14-May 9) and to the National Gallery of Art, Washington (June 6-Sept 6) - the latter venue is well represented in the non-lendable Chester Dale bequest there.

The National Gallery is also hosting the huge John Singer Sargent retrospective (Feb 21-May 31), although one should perhaps wait until the show gets to the Museum of Fine Arts, Boston (June 22-Sept 26), as both the MFA and Boston Public Library house exceptional murals by the artist.

Two delicate hot-house flowers of 19th century art are similarly honoured this year: Alphonse Mucha (January 31-March 28 at the North Carolina Museum of Art, Raleigh, thence to the Philbrook Museum, Tulsa, Nevada Museum, Reno and the Worcester Art Museum, Mass.); and Gustave Moreau

at the Art Institute of Chicago (February 13-April 25) and the Metropolitan Museum, New York (June 1-August 23). Though delightfully taken in small, carefully chosen doses, one wonders how these artists will stand up to the rigours of such full-fledged retrospectives.

Likely to be on firmer ground is the Honore Daumier retrospective at the National Gallery of Canada, Ottawa (June 3-September 6), and one of the most eagerly anticipated exhibitions of the year, "Portraits by Ingres" (featuring some 40 paintings and 75 drawings) which comes to the National Gallery, Washington (May 23-August 23) and then the Metropolitan Museum (September 27-Jan 2, 2000) following its appearance at the National Gallery London in late January.

For aficionados of Old Masters, there are fewer special shows this year. The rare 16th-century Ferrarese master Dosso Dossi is featured at the Metropolitan Museum (January 14-March 29) then travels to the J. Paul Getty Museum (April 27-July 11). Concurrently, the Getty will be hosting a small show devoted to Dosso's 15th-century predecessor at the Ete Court, Ercole de' Roberti. Though comprising only 11 pictures, it is nearly half of that artist's surviving oeuvre.

Following the Ferrarese, the Getty will host Adriaen de Vries, the first retrospective of this great Dutch mannerist sculptor, featuring more than 37 bronzes, some life size (October 12-January 9 2000). Another great sculptor similarly honored is the German Renaissance master Tilman Riemenschneider at the National Gallery, Washington (October 6-January

10, 1999). The Walters Art Gallery will feature the first American travelling exhibition of "Art in Poland: 1572-1764" (March 2-May 9), which travels to the Art Institute of Chicago and four other US venues later in the year.

One of the more intriguing exhibitions of 20th-century art is "Max Beckmann in Paris", the first examination in context of this German master's influences on his better-known contemporaries Picasso, Léger and Matisse. Its only US venue is the St Louis Art Museum, which possesses the greatest cache of German expressionist art in America (February 6-May 9).

In a similar vein is the Francis Bacon retrospective,

which travels from the Yale Center of British Art, New Haven (January 20-March 21) to the Minneapolis Institute of Art (April 11-May 30), the California Palace of the Legion of Honor, San Francisco (June 13-August 2), and the Modern Art Museum, Fort Worth, Texas (August 23-October 24).

Although he has recently been overshadowed by the iconic status of his wife Frieda Kahlo, the Mexican painter and muralist Diego Rivera will finally receive the treatment he deserves in a retrospective travelling from the Cleveland Museum (Feb 14-May 2) to the Los Angeles County Museum of Art (May 30-August 16) and the Dallas Museum (September 12-November 28).

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Galleries

Cornucopia for the eyes

William Packer says the galleries of Europe and Britain promise to make 1999 a year to remember

To look forward at this time of year towards what is coming to the galleries over the next 12 months, whether at home or abroad, is rather like looking down the wrong end of the telescope. I note things down as the information comes in, and have by now a fairly full idea of January's offerings, but even February is still quite thin, and so it goes on, with next December as yet quite bare in the diary.

But that is the way of it. To try to get regular advance information out of Italian museums, for example, or the Spanish for that matter, would be a full-time and not exactly fruitful job. The Venice Biennale has lately been provisionally set to open in mid-June, but we note the "provisionally", I hope, and even think it will be confirmed, for maddeningly chaotic and inconsistent as it is bound to be, it remains a wonderful festival of contemporary art and its related commerce and pretensions, and, as always, I find myself looking forward to it immensely.

And, to be fair, the principal exhibiting institutions, at least in England and France, do have their plans laid well enough. Here in London indeed the immedi-

ate future has some real treats in prospect, what with the "Monet in the 20th century" that was in Boston, now coming to the Royal Academy; "Portraits by Ingres", which is self-explanatory enough, to be shown at the National Gallery; "Picasso and Photography" coming to the Barbican from Paris; Drawings from the Roman Baroque showing

Gogh and Cézanne, in his role as a collector and patron of the impressionists and their circle; the big Mark Rothko show, from New York, at the Musée d'Art Moderne; and David Hockney at the Centre Pompidou.

In February, Hockney reappears in Paris at the Musée Picasso, in "Dialogue avec Picasso", which exam-

In June, the self-portraits of Rembrandt will be a key event at London's National Gallery

ines the influence of Picasso on his work, especially his printmaking. In London we are to have at last, at the National Portrait Gallery, a proper celebration of John Everett Millais, the pre-eminent pre-Raphaelite and late Victorian Academician, whose centenary was oddly neglected in 1987. Patrick Caulfield, one of the very best of the painters to emerge from the British Pop Art movement of the early 1960s, and whose work has simply gone on improving, is to have a long-awaited retrospective at the Hayward; and the Tate is to give us another study of Francis Bacon, including the works on paper that have lately

come to light. But the Tate's principal contribution to our spring comes in March, with the definitive retrospective of the abstract expressionist's abstract expressionist, Jackson Pollock, which could well prove to be our exhibition of the year, just as it has been for last year in New York. If this does not reconcile the sceptic at last to modern painting, nothing will.

The National Gallery's small study of Rogier van der Weyden also looks especially inviting, as does that at Harewood House of the work that Thomas Girtin, Turner's early peer, made in the North of England. In Edinburgh, the new Dean Gallery, housing the Pauline Giff and the Dada & Surrealist archive and collections, will open at last as an invaluable and long-needed annexe to the Scottish National Gallery of Modern Art across the road.

April in Paris sees a major show at the Grand Palais of Egyptian Art in the time of the Pyramids, and in May, in London, we shall have at the Queen's Gallery, the last show before it closes for remodelling, the drawings of Raphael in the Royal Collection, to complete the sequence of Leonardo and Michelangelo.

There is also to be a Victor Pasmore retrospective at the Tate at Liverpool, the opening at the Tate at St Ives of a commissioned group show centred on the forthcoming total eclipse of the sun, and of course the Summer Exhibition at the Royal Academy, Japanese Masks at the British Museum also looks intriguing.

But the more important shows this month will be abroad - the "Nymphs" of Monet at the Orangerie in Paris, and in Antwerp the retrospective of Sir Anthony

van Dyck in celebration of the quatercentenary of his birth. It comes to the Royal Academy in September, but Antwerp, his birthplace, must be the place to see it first.

Along with the Venice Biennale, as I hope, June brings several notable shows - in London, at the National Gallery, Rembrandt's self-portraits, which cannot but be a major event; and, at Annelly Juda, more David Hockney, this time his drawings.

There is to be a Bonnard exhibition at the admirable Gnamada Foundation at Martigny in Switzerland; an ambitious survey show of Dutch 18th-century painting, from the mid-18th to the early 18th century, at the Rijksmuseum in Amsterdam; and the opening of a new museum of contemporary art, the Serralves Foundation, in Oporto.

Then come summer and autumn. The Tate's "Abracadabra" in July seems likely to be an intriguing, perhaps contentious testing of the "New Spirit" in the international art of the 1990s. Edinburgh will have Joseph Beuys's "Multiples" at the Scottish National Gallery of Modern Art; and "The Tiger and the Thistle", concerning the Scots in India in the time of Tipu Sultan, at the National Gallery of Scotland, both exhibitions continuing through the Edinburgh Festival in August.

September brings the Van Dyck to London, and with it a related exhibition at the British Museum, "The Light of Nature", of the landscape drawings of Van Dyck and his contemporaries. There are also to be two more Biennales, one in Istanbul and a new one at Liverpool that will incorporate the long-running John Moores Liverpool Open Exhibition.

In London in October we shall have Joseph Beuys at the Barbican and Lucio Fontana at the Hayward; and, at the Tate in November, "The Art of Bloomsbury", with Roger Fry, Vanessa Bell, Duncan Grant and all seen in the context of early-20th-century modernism. A pendant show at the Courtauld looks at Roger Fry especially in his relation to modernist criticism. And December brings, well, December, and as I said at the start, watch this space.



Showing soon at London's Barbican: Picasso and Photography

Roy Moore

Salerooms

Annus difficultus

Antony Thorncroft surveys the impact of economic conditions

The most important events in the art world often happen outside the sale-room. Undoubtedly most excitement is generated at auction, especially when, as happened on November 19, Van Gogh's last self-portrait, a flattering image painted as a birthday present for his mother, sold for \$71.5m (\$42.5m) at Christie's in New York, the third highest price ever paid for a work of art and easily the year's highest.

But in the longer term the acquisition of Christie's by the French department store tycoon François Pinault will have much more impact on the competition between the auction houses, especially with Paris poised to become a major art centre now that the EU is battering down French protectionism.

In the same way it was a decision by Brussels to double to 5 per cent, the VAT to be paid on works of art imported from non-EU nations which will have the greatest impact on the British antiques trade this year, or rather that important sector that makes London the global entrepôt, importing goods that are then sold on to foreign clients.

But beyond takeovers and taxes, London's, and the UK's, antiques trade basically depends on the state of the economy. Most people buy works of art when they feel prosperous; they are, after all, luxuries rather than necessities. With financial confidence evaporating in many parts of the world it is hardly surprising that the slow but steady rise in prices for art since the last recession of 1990 should falter in 1998. The new year starts in uncertainty.

The mega-rich, the score or so enthusiastic collectors who can afford to pay \$5m or more for a work of art without missing a heart beat, are still prepared to buy the steadily shrinking number of masterworks that venture out to the market each year. But lower down, among potential buyers of routine antiques, there is more caution. The old shibboleth - that the very best objects in the finest condition, with a good provenance and fresh on the market, will sell as well as over - holds: anything less than special will struggle.

In theory most British antique dealers had a good time last year - or at least in the early months. Members of the British Antique Dealers Association (BADA) reported a sales growth of 50 per cent while the dealers who belong to London and Provincial Art Dealers Association (LAPADA) reported a 41 per cent rise. But by mid-year trading conditions were noticeably tougher, and deal-



By appointment: a Warhol image for February's Art on Paper Fair

ers are less optimistic about 1999. Picture dealers, who have only recently enjoyed stronger demand, saw trading conditions slacken, and even furniture dealers, who largely escaped the worst of the recession, noticed a dip. Stuart Whittington of Norman Adams reported a good year, thanks mainly to American buying, but the major autumn auctions at Sotheby's and Christie's offered few choice items, and buying interest was patchy.

What makes dealers particularly depressed about 1999 is the planned doubling of VAT. Overseas buyers accounted for well over half of BADA dealers' sales in 1997-98, and for 40 per cent of LAPADA members' sales. Any restrictions, in terms of excessive paperwork as well as extra tax, on the free flow of antiques will badly damage the London market and force more goods to New York and Switzerland.

Already the leading auction houses, in particular Sotheby's and Christie's, with offices around the world, are directing goods to New York, which has long overtaken London as the centre for 19th-century art, and contemporary art, the sectors which account for the majority of all sales. In its autumn auctions in New York Christie's brought in \$275m and Sotheby's \$312m. In contrast, Christie's in London in December did well selling works from the same period, but totalled just \$38.2m, with Sotheby's trailing. Over the year the two auction houses competed furiously, and there will be very little in it when their 1998 turnovers are released later this month.

The last few weeks of 1998

were quite encouraging for London. The biggest surprise was the demand for works by Young British Artists. The main collector in this field, Charles Saatchi, sold 130 works through Christie's to raise money for art school charities. It was hoped to bring in £1m but in the event £1.5m was realised. Damien Hirst, whose prices at auction were beginning to look soft, sold one of his sculptures of cow organs for £139,000. Many other young artists enjoyed their first exposure to an auction, doubling the retail value of their works.

Sotheby's great year-end achievement was securing, in quick succession, \$214.50m for a portrait by Lucian Freud of fellow artist Frank Auerbach and then £2.8m for one of Freud's giant nudes. It does seem that contemporary art is coming to the aid of the auction rooms, and the big dealers. Apart from rising prices it also has the inestimable attraction of being in fresh and growing supply: over time the best old works are usually lost to the market.

In 1999 the trends in the art market over recent years will continue and intensify. Sotheby's and Christie's will extend their influence at the expense of the dealers, and attempt to become the biggest art retailers as well as the leading wholesalers. In New York, now the centre of their worlds, they are both building large new headquarters, Christie's taking a 30-year lease on part of the Rockefeller Centre, and Sotheby's adding six new floors to its building in York Avenue.

They are aiming for one-

stop shopping, with many more goods on the premises for inspection and a much more comfortable ambience. Both auction houses now own dealers, and are close to the stage when they can offer any rich potential buyer, or seller, of works of art a custom built service. However Sotheby's still largely avoids the lower end of the market, while Christie's, through its South Kensington outlet, is big on collectibles - objects, from teddy bears to film posters to taxidermy to cameras - which might become the valuables of the future and, in the meantime, bring in new buyers and, collectively, produce a worthwhile profit.

Both salerooms are already active in the upper echelons of the property market, and they also see some of their future in art publishing and education, and in the retailing of quality goods such as jewellery and fashion accessories. They will still hold auctions, but these will be fewer and more selective, containing better quality antiques - when they can get them.

For the other inevitable trend of 1999 will be a growing shortage of fine quality works of art. For the top salerooms, the challenge of increasing turnover in the US each year is largely dependent on the death of rich widows who inherited masterpieces acquired earlier in the century when they were more abundant. In the UK it is hardly surprising that, after decades of exporting to the US and Europe, much of the best English 18th century furniture should now be abroad.

But the dealers are fighting back. They may still cluster together at fairs, and trade increasingly among themselves, but they have the knowledge and the contacts, and can spot auction house mis-cataloguing and bargains at fairs. January, with the London auction houses mainly quiet, is their month, and they will be expected to do well at the new watercolours and drawings fair at the Park Lane Hotel, starting on January 28, and the first The Art on Paper Fair, covering prints, Old Master drawings and watercolours on paper, due at the Royal College of Art on February 18.

Then there is ART 99 at the Business Design Centre in Islington, which has become a major event in the contemporary and modern art world, with growing international appeal. For all the machinations behind the scenes, the heart of the art and antiques business still remains the keen and committed collector and the wise and caring dealer.

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GLOBAL ARTS '99

The London stage

Return of repertory will test the stars

Rarely shown Russian classics and some brand new plays will spice the West End programmes, writes Alastair Macaulay

Repertory is back. The good old system, whereby actors are hired to take parts in more productions than one at a time, will make another return to the heart of British theatrical life in 1999, when Trevor Nunn launches at the National Theatre a pair of new productions: Shakespeare's *Troilus and Cressida* (press night March 15) and Leonard Bernstein's musical *Candide* (press night April 13), both co-directed by Trevor Nunn and John Caird and both featuring the same players.

At the Royal Shakespeare Company a large number of actors will, as usual there, be performing more plays than one in forthcoming repertory. Alan Bates, last seen in Shakespeare almost 10 years ago when playing Benedict in a West End *Much Ado*, is the most eminent of these: at Stratford-upon-Avon in the spring, he plays Shakespeare's Antony to the Cleopatra of Frances de la Tour, as directed by Stephen Pimlott, and Shakespeare's *Timon of Athens*, directed by Gregory Doran. (The return of *Timon* to the main stage of the Royal Shakespeare Theatre, for the first time since the 1960s, is an important reply to recent criticism that the RSC only offered Shakespeare's best-known and most audience-friendly plays as its big-stage productions.)

Other RSC actors will be doubling in such productions as a new stage adaptation of Ted Hughes's *Tales from Ovid*, as directed by Tim Supple (Swan Theatre, March), and Adrian Noble's new staging of T. S. Eliot's *The Family Reunion*.

The National Theatre's staging of *Troilus and Cressida*, coming only a few months after the Royal Shakespeare Company's recent production, indicates a new sort of rivalry between the RSC (which Nunn used to direct) and the National (in which Nunn is now in his second season) over central Shakespeare repertory. The RSC's forthcoming *Antony and Cleopatra* may well be read as some kind of retaliation, the more so since the National Theatre's recent production was among the most vilified theatrical events of 1998. (Compare and contrast Helen Mirren and Frances de la Tour; compare and contrast Alan Rickman and Alan Bates.)

Meanwhile, the RSC brings its recent *Richard III* (starring Robert Lindsay) to the West End, opening at the Savoy Theatre on

From Stratford to the Barbican: a scene from Richard Nelson's *Goodnight Children Everywhere*, featuring Robin Weaver as Vi and Simon Scardfield as Peter

Hugo Glendinning

January 31. And producer Thelma Holt dares to mount a new *Macbeth* in the West End this March. Rufus Sewell, an actor with virtually no Shakespearean experience, plays Macbeth; Sally Dexter, who put in some very distinguished work with the RSC earlier in the 1980s, plays his wife, John Crowley, who has staged several plays (mainly non-Shakespearean) for the RSC and National Theatre, directs.

Another important 1999 Shakespeare production will be seen out of London: Judy Kelly's staging of *The Tempest* (opening in February), with Ian McEwan as Prospero, the final production of the three-play six-month repertory system led by this star actor. Gregory Doran directs a new RSC production of *The Winter's Tale*

in January, featuring many of the same actors as have been appearing in Noble's *The Lion, the Witch, and the Wardrobe*.

Only a few new other productions for the West End are definitely scheduled at this time. *Mamma Mia!*, a musical based on the songs of Abba, with music and lyrics by Benny Andersson and Björn Ulvåus, opens at the Prince Edward Theatre in April. Hal Prince directs a new production of Strindberg's *Miss Julie* in the autumn: it may be presumed that a star is due to play the title role.

Ewan McGregor's performance in *Little Malcolm and his Struggle against the Russians* (currently at the Hampstead Theatre) will be seen at the Comedy Theatre from January. Other West End productions will include two transfers

from Trevor Nunn's first season at the National Theatre: his own production of the Rodgers-Hammerstein musical *Oklahoma!* (Lyceum Theatre, opening in January) and Michael Blakemore's

production with Neil Barlett and the Lyric Theatre, Hammermith, will involve launching Barlett's new version of the Marivaux classic *The Dispute at The Other Place* in Stratford-upon-Avon in

February and March.

RSC productions arriving from Stratford in 1999 include Adrian Noble's production of *The Tempest* and *The Lion, the Witch and the Wardrobe*; Michael Boyd's of *Measure for Measure*; John Crowley's triptych of Irish plays, *Shadows* (Synge and Yeats); James Macdonald's production of the Bernard-Marie Koltes play *Roberto Zucco*; and Ian Brown's of the new Richard Nelson play *Goodnight Children Everywhere* (inset between recently sun-

dered siblings reunited after the second world war). The RSC has given the premiere of numerous plays by Nelson over the years; this production will be the end of their association.

The Almeida Theatre, which has done so much to inject new

March, and bringing it into the Hammermith Lyric later in the spring.

The RSC also renews its collaboration with the Young Vic, where its 1998 Stratford productions of Ben Jonson's *Burton* and Steven Polakoff's new play *Talk of the City* will run

excitement and glamour into London theatre in recent years, has several new productions under preparation. Perhaps the most prestigious of these is Jonathan Kent's staging of David Hare's play *Plenty*, starring Cate Blanchett and opening on April 27.

Maxim Gorky's exciting but seldom seen *Vassa* will continue the Almeida season at the Albery Theatre (opening on January 20); Howard Davies directs a cast led by Sheila Hancock, and including Anne-Marie Duff, Ron Cook, Debra Gillett, Aisling O'Sullivan, and Adrian Scarborough. A perhaps more promising assembly of actors will perform Peter Gill's new play *Certain Young Men* at the Almeida (opening on January 27); Danny Dyer, John Light, Jeremy Northam, Peter Sullivan, Andrew Woodall.

Of the several new plays so far definitely scheduled, perhaps the most newsworthy will be Hanif Kureishi's *Sleep with Me*. Kureishi is not best known as a theatre artist; this production opens at the National Theatre in its Cottesloe auditorium on April 22, as directed by Anthony Page. Will the National maintain its stature as our foremost home for successful new drama? Another premiere will be *The Riot*, a new play by Nick Darke opening at the Cottesloe Theatre in February.

This may be an interesting year for Russian plays by authors other than the inevitable Chekhov. On January 28, the National Theatre presents Ostrovsky's *The Forest* (soon after the Almeida's production of Ostrovsky's *The Storm* was performed at the Lyttelton Theatre in a version by none other than Alan Ayckbourn. Anthony Page directs; Michael Feast and Frances de la Tour lead the cast.

The Almeida *Vassa* at the Albery is one of two announced Gorky productions; the other is *Summerfolk*, due at the National later in the spring.

London theatre usually contains a high quota of productions of seldom seen plays that help to flesh out our understanding of world theatre and its history. Perhaps the most intriguing of these for 1999 will open at the Riverside Studios in January. You may well not have heard of *The Deceit*, written in 1933 by the intronati of Siena. But you probably have heard of the play that was based on it some decades later: *Tweeth Night*.

It remains to be seen whether the National Theatre will maintain its stature as the UK's foremost home for successful new drama

staging of the new Michael Frayn play *Copenhagen* (Duchess Theatre, February).

Although the RSC will continue to use the Barbican Centre for only part of the year, it will be coinciding several other London theatres (witness *Richard III* at the Savoy). A new collabora-

Decorative arts

The emperor and the maharaja

Susan Moore previews a spate of exhibitions that bring to life some great figures of the past

This year marks the 1200th anniversary of an event that changed the spiritual and political landscape of Europe. In 799 Charlemagne, having pacified nearly all the territories held by the Saxons, received Pope Leo III in his magnificent palace in Paderborn in Westphalia and, in three months of tough negotiations, prepared an alliance that culminated in the crowning of the Frankish emperor in Rome a year later.

The next two years will see a series of Charlemagne exhibitions across Europe; inaugurating the festivities is "799: Art and Culture of the Carolingian Period" (July 23-November 1) staged at the Paderborn city gallery, the reconstructed 11th century Imperial Palace and the Diocesan Museum.

Highlights among a feast of ivories, manuscript illumination and goldsmiths' work include Charlemagne's sarcophagus from the Aachen cathedral treasury, the Grimfridus chalice from Dumbarton Oaks and the fabulous Lorsch Gospels, reunited from parts held in the Vatican Library, London's Victoria & Albert Museum and the Museo Sacro in Alba Iulia in Romania. Accompanying the exhibition is a two-volume, 1,000-page catalogue.

The Metropolitan Museum of Art, meanwhile, is host to nearly 300 masterpieces of medieval art drawn from its much loved sister institution, The Cloisters, that eccentric assemblage of French cloisters and pan-European works of art perched high above the Hudson on the outskirts of New York. The show, "Mirror of the Medieval World", is a valedictory to William D. Wixom, retiring chairman of the Met's medieval art department and of The Cloisters.

As a selection of acquisitions made over the last two decades, the show could not be more fitting. For Wixom, all too rarely among museum curators, has a passion and an unerring eye for a great work of art and the hunter's instinct in tracking it down. Previously he had transformed the medieval collection at Cleveland into an internationally renowned

holding; his record at the Met and The Cloisters - one of the world's great collections of medieval art - is remarkable.

On show are objects from antiquity to the 16th century, embracing the likes of Bronze Age jewellery, Byzantine silver and enamels, filligree and cloisonné Anglo-Saxon brooches and Spanish romanesque manuscript illumination, as well as striking *acquasmarilla*, sculpture, tapestries and stained glass, thematically arranged and placed in context. Look out for the 14th-century English ivory brown Madonna from the John Hunt collection in Dublin, and the exquisite boxwood statuette of the Virgin and Child attributed to Nikolaus Gerhart van Leiden, one of the finest and most influential sculptors of the mid- to late-15th century. It has a drama and monumentality which belies its mere 13 in height (March 9-mid July).

More medieval treasures, this time from Macedonia, show in Paris at the Musée Nationale du Moyen-Age (February 9-May 3), and there is still time to catch "Himmelslicht: European Glass Painting 1248-1349", perhaps our only chance to see around 100 masterpieces of gothic stained glass at close range (Josef Haubrich Kunsthalle, Cologne, until March 7). Those who missed last year's show of medieval and renaissance painting, goldsmiths' work, textiles and manuscript illumination from the Treasury of St Francis of Assisi, joined by additional loans from European and American collections, at the Petit Palais in Paris, may seek it out at the Metropolitan Museum in

New York instead (March 18-June 27). It travels on to Kobe and Kyoto.

As well as a cluster of medieval shows, the year also offers various takes on the baroque. To note three: "Ambiente Barocco: Life and the Arts in the Baroque Palaces of Rome" brings together a lush profusion of elaborately carved furniture, sculpture, clocks and candelabra, costume and textiles, silver and musical instruments, plus some paintings, drawings and prints (Bard Graduate Center for Studies in Decorative Arts, New York, March 11-June 13; the Nelson-Atkins Museum, Kansas City, July 25-October 3).

Also making its way across the US is "Land of the Winged: Horsemanship: Art in Poland, 1573-1764", some 150 works of the fine and decorative arts drawn from more than 25 public collections in Poland. The show reflects Poland's clashes with the infidel, claiming Ottoman loot in the form of armour and textiles. Opening at the Walters Art Gallery, Baltimore, March 3-May 9, it travels on to Alabama, San Diego and Tulsa. (It is Charles I's spectacular armour, hand-engraved and covered in gold leaf, however, that is the centrepiece of "To Kill a King", at the Royal Armouries, Leeds, January 30-April 18.)

The baroque aesthetic also made its way across the Atlantic: as witnessed in "The Arts of Early Pennsylvania 1680-1768". This show charts the evolution of colonial furniture, ceramics, textiles, silver and metalwork and painting. (Philadelphia Museum of Art, October 10-Jan 2, 2000).

More of the Ottoman court, at the Château de Ver-

sailles this time. "The Treasures of the Sultan: Topkapı at Versailles" explores the relatively little-known period of the 17th and 18th centuries when the French and Ottoman courts were most curious about one another. The exhibition charts the nature of the imperial residence, its role as an intellectual and cultural centre, and how the sumptuousness and refinement of the lifestyle was combined with customs surprising to western sensibilities (May 7-August 15).

"Arts of the Sikh Kingdoms" at London's Victoria & Albert Museum is the first international exhibition devoted to the cultural heritage of the Sikhs. It was 1801 when Ranjit Singh was proclaimed the first Sikh maharaja of the Punjab at Lahore. This show traces the eventual history of the maharaja and his successors and features paintings, textiles, weapons and some of the most spectacular jewels from the Sikh treasury. Made by and for Sikhs, Hindus, Muslims and even Europeans, they reflect the cosmopolitan and egalitarian atmosphere of the age (March 25-July 25).

A little-regarded art form and an even less familiar culture are under examination in an exhibition of Burmese lacquer at the British Museum (September 24-December 12). Its base is the gift of some 270 examples - of vessels, furniture, sculpture, manuscripts, even musical instruments and architecture - amassed by Ruth and Ralph Isaacs, supplemented by loans from the Royal Collection and viceregal collections. "Fabric of Enchantment", at The Textile Museum, Washington DC, takes a closer look at Javanese batik (February 4-April 26).



Maharaja Ranjit Singh with Retainers, Lahore: from the V & A Museum's forthcoming Arts of the Sikh Kingdoms

V&A

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سكنا من الامم

US theatre

There is nothing like a Dame

New Yorkers keenly await Judi Dench's Broadway debut in one of several plays transferring from London, writes Brendan Lemon

When Audra McDonald, the American theatre's newest diva, released her debut solo album this past fall, many observers were initially disappointed that her record's selections consisted not of the usual Kern-Porter-Gershwin standards but of songs by a new generation of musical-theatre composers. McDonald's strategy, however, showed remarkable prescience: the composers she has been championing promise to be among the dominant forces on the American theatre schedule for 1999. Two of McDonald's favourites will be particularly visible. Michael John LaChiusa, best known for his deeply flawed version of Schnitzler's *La Ronde* a few years ago, will have two new productions opening in New York.

The Wild Party, based on an effervescent flapper-era poem by Joseph Moncure March, will begin performances at the Public Theatre in the spring, and *Marie Christine*, a 19th-century setting of the Medea story that LaChiusa has written expressly for McDonald, will open at Lincoln Centre Theatre in the autumn.

The other McDonald darling, Adam Guettel, astonished theatregoers a few seasons ago with his coal-miner

musical *Floyd Collins*, but the piece closed before drawing the audience it deserved. In the coming months, though, new productions of the work at prominent regional theatres (such as the Goodman, in Chicago, beginning April 23) are certain to widen the show's considerable cult reputation. Another New York run seems likely.

Other musical offerings promise less adventure and more razzle-dazzle. *Fosse: A Celebration of Song and Dance* is set to open at Broadway's Broadhurst on January 14. This revue devoted to the director/choreographer Bob Fosse follows the huge success of *Cabaret* and *Chicago* musicals staged by the late showman, and is being overseen by Fosse's widow, Gwen Verdon, and his protégé, Ann Reinking.

Meanwhile, *The Civil War*, based on letters and diaries from the American 1860s, is the latest from composer

Frank Wildhorn. Wildhorn is not known for his subtlety or sophistication, but no one who has observed the rabid fans outside the stage door of his two current Broadway shows, *Jekyll and Hyde* and the cleverly revamped *Scarlet Pimpernel*, should dismiss the prospects of the Abe Lincoln-era saga, which opens at Broadway's St James Theatre on April 22.

Broadway will not be quite as awash with musical revivals in the new year as it has been in recent seasons. Fans of Bernadette Peters, if not of innovative casting, will be happy to see her step into the hats and holsters of the Wild West tale *Annie Get Your Gun* which opens on March 4 at the Marquis, and lovers of the comic strip *Peanuts* will be buoyed to learn that a restaging of *You're a Good Man, Charlie Brown*, the 1967 musical based on the cartoon series, will bow at the Longacre on February 11.

Of the play revivals

headed for New York, two themes may be discerned: English kings named Henry and the US dramatist Eugene O'Neill. In the Roundabout Theatre's late-winter staging of *The Lion in Winter*, Laurence Fishburne plays Henry II and Stockard Channing Eleanor of Aquitaine; and in *A Man for All Seasons*, due for a pre-Broadway national tour next autumn, Derek Jacobi will star as Sir Thomas More, lord chancellor to Henry VIII.

Late in the year, O'Neill's *A Moon for the Misbegotten* will mark the return of the radiant Cherry Jones to both Broadway and to classical roles. And in April, O'Neill's *The Iceman Cometh*, which originated at London's Almeida Theatre, looks likely to make Kevin Spacey's return to the New York stage equally triumphant. Observers were all but ready to award Spacey a Tony statuette, until Chicago's Goodman Theatre announced that

in January its acclaimed production of *Death of a Salesman*, with Brian Dennehy, would move, ironically, into Broadway's Eugene O'Neill.

Also clouding Spacey's excellent prospects is the fact that New York audiences can be wary of English productions of American classics. They tend to be more receptive to new plays from London. Before the Tony deadline, May 1, Broadway will in that regard welcome: *Closer*, Patrick Marber's contemporary look at a young woman (to be played by Natasha Richardson) and her relationship with two men; *The Weir*, Conor McPherson's examination of a band of bachelors trading ghost stories in an Irish pub; and *The Unspoken Word*, about a novelist and his admirer, which is playwright Yasmina Reza's follow-up to her highly successful *Art*.

The London transfer which may be exciting the most interest, however, is David Hare's *Amy's View*, scheduled for Broadway sometime in April. The anticipation perhaps owes less to the promise of another new work from the prolific Hare (his *Judas Kiss* met a very mixed reception on Broadway last spring) and more to the thought of Dame Judi Dench - at last - making her Broadway debut in the role of a stubbornly old-style actress.

Other luminaries will be represented off-Broadway, too: Uma Thurman will star in Molière's *Le Misanthrope* at the Classic Stage Company, opening next month; and Harold Pinter, whose 1998 play *Ashe to Ashe* will bow at the Gramercy in mid-February, with Lindsay Duncan and David Strathairn. Also on deck is Pinter's double-bill *A Kind of Alaska* and *The Lover*, which will be produced in May at the Manhattan Theatre Club. Neither that organisation nor its similarly reputable midtown counterpart, Playwrights Horizons, has had a rousing



Heading west: Judi Dench as a stubbornly old-style actress in David Hare's *Amy's View* Alastair Muir

critical hit lately, although that may change for the latter in '99, owing to a new comedy by one of New York's most beloved writers, Christopher Durang. His *Berry's Summer Vacation*, which focuses on a country cottage roundelay, opens at Playwrights on March 14.

Another Playwrights veteran, A.R. Gurney, has shifted his allegiance to Lincoln Centre Theatre. Gurney's dissections of upper-

middle-class behaviour have lately lacked their characteristic drinks-party fizz but it may bode well that his new play, *Fire Bird*, has a historical setting (Japan during the Korean War) and a young, dynamic cast, headed by Michael Hayden. Opening night is January 10.

No matter how vibrant a 1999 the American theatre has, a significant segment of

theatregoers do not feel Broadway is really Broadway unless there is a new Stephen Sondheim musical about. While his new piece, *Wise Guys*, set in the 1920s and concerning two American brothers, will probably not have its New York premiere very soon, it looks almost certain that a production of it, perhaps in San Diego, will open before the end of the year.



Taking a bow: first performance at Manchester's newly reopened Royal Exchange Theatre

Jon Super

The arts in the UK

Whingers are silenced

The combined revolution of lottery funding and imaginative management is having a surprising effect, says Antony Thorncroft

Centuries ago artists were mainly in the business of spreading light and joy; now they prefer gloom and doom. This is certainly true of the cultural industry, which has developed on the back of working artists in recent decades.

The fact is that there has never been more opera, music, dance, drama and art produced in the UK. One inevitable consequence of this cultural outpouring is that Government subsidy failed to rise in line with the output: the overall grant was frozen for much of the 1990s and some of the plethora of arts companies struggled to survive.

Then came the lottery, pumping over £200m a year into the arts in England alone, with as much again revitalising museums and the heritage. Add in a new Government which wanted to broaden the appeal of the arts, and was prepared to pay to achieve such a transformation, and the stage should have been set for an end to the ingrained pessimism of the arts community.

No chance. In December, there was general silence when culture secretary Chris Smith announced how he was going to spend the extra £290m in subsidy he had obtained for the cultural institutions over the next three years.

Days later the chairman of the Arts Council, Gerry Robinson, gave away £218.5m for 1999-2000, 15 per cent more than in the current year, with above inflation increases promised for the next two years.

Was the arts community happy? Not on your life. It continued to complain that the lottery money invested into new theatres, opera houses, art galleries, etc. would not help to fill them with artistic events, or audiences, even though changes to the lottery act mean that

lottery money can now be used for revenue funding. The Jeremiahs say that the extra subsidy is too little, and comes too late, and anyway is not evenly spread.

But the days of the whinger may be numbered. In Gerry Robinson the arts has an unusual benefactor. He is an outsider who takes a business approach to the job and is reluctant to throw good money after bad. He is backing winners, in terms of companies and art forms, and already seems prepared

The year could be judged by what happens at the Royal Opera House, Covent Garden

to risk the anger of numerous drama companies by freezing their grants.

So far his revolutionary approach - more than halving the size of the Arts Council and its work force, and devolving most funding decisions to the regional arts boards - has been met with stunned acquiescence from the arts world. This will be the year in which his policies will prove life saving or impractical. It could also be the year when certain established art forms may find themselves suddenly less fashionable with the Arts Council than more populist, community based, ethnic minority interests.

In short, the arts in the UK could be on the brink of an exciting adventure, even a golden age.

For all the scare stories, no lottery funded arts building that has opened has been forced to close through lack of revenue funding. Undoubtedly the extra costs of running new buildings were under-appreciated and there have been tricky times for the new and refurbished theatres at Cambridge, Scarborough, the Green Room in Manchester, and the Quay arts centre on the Isle of

Wight, but they are all still in business.

The biggest venture to date, the new Sadler's Wells in London, has got off to a good start, and the rebuilt Royal Exchange Theatre in Manchester has been warmly welcomed, as have important new cultural venues in Stoke, Malvern and Hereford. Another theatre which caused some anxiety, the Royal Court in London, has been rescued, thanks to £2m from the Jerwood Foundation and should open this

autumn. To date, lottery funding has worked wonders, with a surprisingly small downside.

There is no reason to think that 1999 will produce a spate of genuine "arts in crisis" and "lottery white elephant" stories. The Arts Council is holding lottery money in reserve to help bail out worthy companies (such as the RSC) who have got themselves into difficulties, and although business sponsorship of the arts may not be quite as glamorous as in the past it still pumps £100m a year into the arts in the UK.

There are also schemes in place to use lottery money to entice in new audiences, especially the young, with special ticket offers. If arts companies fall into debt in the future will it be because they are badly managed or because they are creating work which has no popular, or artistic, relevance?

A flourishing arts scene needs more than money. The main challenge this year, as ever, will be raising the management competence of arts companies. The problem of whether an arts organisation should be led by a great creative force or by a skilled

manager, or both, has never been satisfactorily solved. The UK's leading arts centre, on the South Bank, is currently wrestling with the problem as it seeks a new chief executive.

The Royal Opera House, Covent Garden, has gone for the dual approach. Its administrative supremo, the American Michael Kaiser, has made an impressive start since arriving in November, keeping the music director Bernard Haitink on board and restoring to the schedule a few performances of *Paul Bunyan* from the cancelled Royal Opera programme, but the hunt is still on for his artistic partner.

In fact, the whole arts year could be judged by developments at the Royal Opera House. The rebuilding of this, the largest arts lottery project, costed at £214m, with £70m coming from the lottery, is on schedule, and the new Covent Garden should open in early December. If all goes well, and the inaugural production of *Falstaff* is a success, and the new artistic director is admired, then the arts generally will be regarded as a cause for national celebration rather than the object of derision and criticism that it is today, at least in the media.

Throw in the promise of free entry for all museums; the near completion of the architecturally adventurous Lowry Centre in Salford and the new Tate Gallery of Modern Art on Bankside; some progress towards removing the eyesores on the South Bank Centre; a continuation of adventurous programming at the Barbican; and the steady development of new cultural palaces in Bristol and at Gateshead, and you have an exciting year in prospect. Once again the arts might be spreading some light and joy around the land.

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GLOBAL ARTS '99

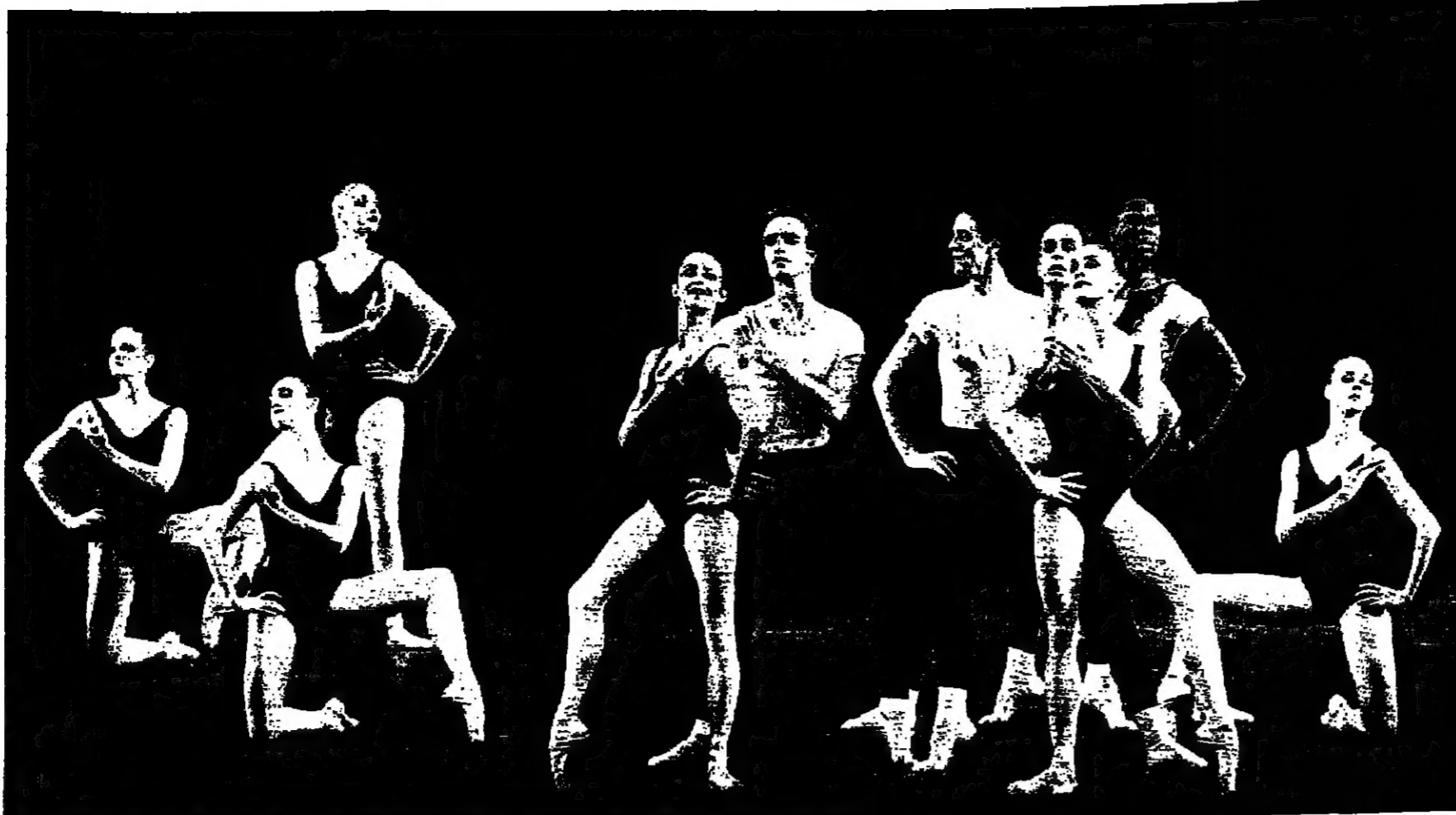
The big event of the dance year is the celebratory season by New York City Ballet to mark its golden jubilee. In 1948, George Balanchine and Lincoln Kirstein realised their dream of an ensemble dedicated to the idea of American classical ballet. Installed at the New York City Center, the company was to be the means by which the greatest choreographer of our century produced a miraculous catalogue of ballets. This year, in two seasons that run through until summer, NYCB will show a hundred ballets, by Balanchine, Jerome Robbins and their successors, in thematic festivals using scores by Stravinsky and Tchaikovsky, American music, with new commissions, new ballets. Exciting prospect.

Writing about the early years (which I recall as one does the delights of first love) Kirstein observed: "Stability we had not, and would not have for another 20 years. In England, with the inestimable advantage of Lord Keynes's patronage... Marie Rambert and Ninette de Valois were beginning to enjoy the results of their Herculean labours." In the light of matters now, we may wonder at the comparative fortunes of the beleaguered and state under-funded Royal Ballet and the flourishing if privately subsidised NYCB. To NYCB, congratulations on its jubilee and vast gratitude.

Other New York events meriting attention are the late spring season by American Ballet Theatre at the Metropolitan Opera House from April 26 until mid-June, which will feature six full-length ballets and the company's acquisition of MacMillan's *Anastasia* (Viviana Durante will repeat her fine interpretation during the season), and a gala *Don Quixote* on the first night featuring three sets of principals.

There is a proposed summer visit by the Kirov Ballet, and a season by the life-enhancing Paul Taylor Company in early March at the City Center. The San Francisco Ballet, on home territory, presents no fewer than eight programmes between January and May, with a largely contemporary repertoire that is well worth sampling.

In Paris, the Opéra Ballet performs until July 15, at the Palais Garnier or the Bastille Opera House. Superlative dancing, interesting programmes which bring the classics, honoured modern masterpieces by Balanchine



Expression of pride: the New York City Ballet performing Igor Stravinsky's Agon, choreographed by George Balanchine

Ballet

An all-gold celebration

and Robbins (in March), novelties (Angelin Preljocaj's *Le Parc* returns in April, and William Forsythe has a new piece for the company as part of an all-Forsythe evening, also April).

In May, the company will pay a one-week visit to Japan with Béjart's *Ninth Symphony*. In late June and July, *Swan Lake* and *La Sylphide* will play concurrently at the two theatres.

Try to see Elisabeth Platel as the sylph - ineffable grace. For Béjart devotes the maestro brings his troupe to the Palais des Sports in Paris (February 4 to 31) with two "ballets for today".

In the French regions, plenty of activity: Lyon offers eight ballets in programmes devoted to new choreography; Nice will show Cranko's *Onegin* in May, and a new *Carmina Burana* by Yuri Vámos at the Arènes de Cimiez in late June; in Bordeaux, where the eminent Charles Jude is now director, his staging of *Coppélia* will be seen in

June, and there are three evenings by young choreographers in May. Toulouse shows three programmes during the spring; the Ballet de Nancy mounts a Diaghilev homage in mid-April, and a new work by Roland Petit (June 24-29).

For the most adventurous modern dance, the Théâtre de la Ville in Paris has innovative programmes, and the admirable Maison de la Danse in Lyon plays host to 50 visitors, from ballet troupes to the widest adventures among French experimentalists. In Monte Carlo, the principal ballet will show a new *Cinderella* by Jean-Christophe Maillot in April, after which the troupe leaves for an extended tour of North America.

There are productions of old favourites. For the Vienna State Ballet, Vladimir Malakhov stages *La Bayadère* in February, and Makarova's version of the same piece is in repertoire at La Scala, Milan, at the same time. Milan brings back

Giselle in the beautiful old Alexandre Benois designs in May, presents Carla Fracci in evenings devoted to Ida Rubinstein (in the Teatro Studio in April), and hosts performances by the Tokyo

Clement Crisp looks forward eagerly to the special season with which the New York City Ballet will celebrate its 50th anniversary

Ballet of Béjart's *Nutcracker* in April.

New works are on view in Belgium: the admirable Royal Ballet of Flanders shows creations by Christopher d'Amboise and Jean-Christophe Maillot in February, while in Brussels the Rosas Dance Company displays a new piece by Anne Teresa De Keersmaeker at the Luna Theatre in May, later to be seen at the Théâtre de la Ville in Paris. The Dutch National Ballet is to mount a full-length *Magic Flute* by Wayne Eagling and Toer van Schayk (who also provides the designs) on Feb-

ruary 10 at the Muziektheater in Amsterdam. Holland's other troupe - which is the three Nederland Dans Theater companies - will tour widely east and west and, to mark the 20th anniversary of

bird and *Le Sacre du printemps* (which should set the original choreographers - Fokine and Nijinsky - spinning in their graves).

Meanwhile, our Royal Ballet is keeping its head above

water with an important tour to the Far East in April and May, visiting Japan and China, and preceding this with a small split tour during early March to eight regional theatres with *Dance Bites* - creations by Michael Corder, Cathy Marston, Mark Baldwin and William Tuckett. Scheduled London appearances are for three weeks in July at Sadler's Wells, with new work by William Tuckett, and the happy return of Ashton's *On Time*. What happens thereafter can probably best be divined by inspecting the entrails of a chicken.

In the autumn, a new *Giselle* will be produced by Bintley and Galina Samsova, and Bintley also stages a new *Shakespeare Suite* (Duke Ellington score) and acquires Balanchine's *Slaughter on Tenth Avenue*. The company will tour Britain where, be it noted, Bintley's policies and his

company's bright public image have won new audiences. Sunderland, once a notorious graveyard for ballet, has been won over: cheap prices, skilled marketing fill the theatre for BRB.

English National Ballet also knows how to reach out to audiences. The company has two fixed points in its year: Christmas at the Coliseum and a summer blockbuster at the Royal Albert Hall. (This season it will be a revival of *Swan Lake* in the round). Spring will bring a split tour, with an approachable repertoire on view in 12 regional theatres, and there follows a visit to Australia in May for 12 performances of *Swan Lake* in Sydney, Melbourne and Brisbane.

Scottish Ballet makes a Spring tour to Glasgow, Aberdeen, Edinburgh with its fine *La Sylphide* and a triple bill which contains two as yet unannounced novelties. Northern Ballet Theatre will stage a new *Carmen*, choreography by Didi Veldman, in Leeds on February 22. Rambert Dance Company tours Britain and visits Austria in February and Italy in April, and has its Sadler's Wells season in May, when new works will include the bravura *Golden Section* by Twyla Tharp.

Among visitors to Sadler's Wells, Irek Mukhamedov appears in a new *Don Juan* by Kim Brandstrup for Arc Dance (opening at the Wells on March 1); Pina Bausch brings her Wuppertal Dance Theatre to the Wells at the end of January with *Viktor*, while Pacific Northwest Ballet (much admired at the Edinburgh Festival last summer) will bring two programmes during the week of February 22, including a happy staging of Balanchine's *Midsummer Night's Dream*, and the Norwegian National Ballet will appear at the Wells in November with Michael Corder's *Romeo and Juliet*.

In St. Petersburg, the Kirov Ballet is preparing a revision - in effect, a cleaning of the text - of *Sleeping Beauty* in early spring, and the company will visit Munich in March with three performances of *Swan Lake* and a Fokine evening during the Bavarian State Ballet's annual Festival Week. The Bavarian State Ballet will, as part of an interesting repertoire, stage a new *Emma* by Jean Grand-Maitre at the start of the ballet week on March 24.

The new year, as you may judge, promises to be busy. Lord Chesterfield, in one of those letters, observed that "dancing is a very trifling and silly thing". Well, up to a point, Lord Chesterfield.

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Cinema
Bugs and bard strut their stuff

Insects posing as film stars means the millennium must be treated seriously, says Nigel Andrews

The hero and main characters of the most successful film in America as I write are insects. We know that these creatures were taking over the world: it is a scientific fact that the next millennium will be celebrated by millipedes. But this is alarming.

Disney's digital animation feature *A Bug's Life*, opening in the new year in the UK, is following *Antz* into the minds, hearts and pockets of filmgoers. And, since any living organism can now be reproduced on film, voiced by famous actors and crisscrossed by computer graphics

(with an increasing input of famous actor idiosyncrasy), how long before Tom Hanks lends his digitally-scanned essence to the role of a bacterium, or Jim Carrey to a wacky amino-acid?

Millennia are serious things: 1999 may be the last year in which normal plots with normal humans stalk the screen. So with almost tearful valedictory fondness we record that the old favourites will be back with us once more (at least, or in the case of Brad Pitt and Tom Cruise there may be no movie bar. Pitt's 1999 repertoire ranges from *Death* (in the fantasy comedy *Meet Joe Black*) to General Custer, while Cruise's trio includes the long-awaited Kubrick erotic thriller *Eyes Wide Shut*, co-starring his newly sensational other half Nicole Kidman. Another Bond film will arrive, directed by Michael Apted of TV's *Sixty Years On*. And Pierce Brosnan himself, Mel Gibson and Samuel L. Jackson will each star in major new Hollywood thrillers.

It is typical of a *fin de*

siècle, let alone of millennium, that humanity takes a last lingering look back before jumping into the unknown. Which explains why we are seeing *Psycho* again, in the bizarre-sounding shot-for-shot remake by Gus Good Will Hunting Van Sant; why the sequel/prequel industry is busy with *Austin Powers 2: Mission: Impossible 2*, *Nutty Professor 3* and a film we must probably call *Star Wars IV*, since its action precedes not just the Luke Skywalker trilogy we know but two more prequels in the planning.

Apply for older movies, the 1999 nostalgia boom offers more evocative, less grimly derivative plunderings. The rhapsodically pre-viewed *Shakespeare in Love* exhumes our beloved Bard in a Stoppard-scripted romance starring Joseph Fiennes and Gwyneth Paltrow, the American actress who seems to be playing all our British heroines (except for Elizabeth I, played by an Australian). Anthony Minghella's *The Talented Mr Ripley* resurrects Patricia Hepburn's great psychopath, who stalked through two previous Euro-gems, Clement's *Purple Noon* and Wenders' *The American Friend*. And the all-star war

carriers of Terrence Malick, who vanished from our screens after *Badlands* and *Days of Heaven*. In addition, *Mighty Joe Young* revisits a lovable monster classic first made in the shadow of *King Kong*. And *Nothing Hill* essays the most serious resurrection of all. It puls

es with an important tour to the Far East in April and May, visiting Japan and China, and preceding this with a small split tour during early March to eight regional theatres with *Dance Bites* - creations by Michael Corder, Cathy Marston, Mark Baldwin and William Tuckett. Scheduled London appearances are for three weeks in July at Sadler's Wells, with new work by William Tuckett, and the happy return of Ashton's *On Time*. What happens thereafter can probably best be divined by inspecting the entrails of a chicken.

In the autumn, a new *Giselle* will be produced by Bintley and Galina Samsova, and Bintley also stages a new *Shakespeare Suite* (Duke Ellington score) and acquires Balanchine's *Slaughter on Tenth Avenue*. The company will tour Britain where, be it noted, Bintley's policies and his

company's bright public image have won new audiences. Sunderland, once a notorious graveyard for ballet, has been won over: cheap prices, skilled marketing fill the theatre for BRB.

English National Ballet also knows how to reach out to audiences. The company has two fixed points in its year: Christmas at the Coliseum and a summer blockbuster at the Royal Albert Hall. (This season it will be a revival of *Swan Lake* in the round). Spring will bring a split tour, with an approachable repertoire on view in 12 regional theatres, and there follows a visit to Australia in May for 12 performances of *Swan Lake* in Sydney, Melbourne and Brisbane.

Scottish Ballet makes a Spring tour to Glasgow, Aberdeen, Edinburgh with its fine *La Sylphide* and a triple bill which contains two as yet unannounced novelties. Northern Ballet Theatre will stage a new *Carmen*, choreography by Didi Veldman, in Leeds on February 22. Rambert Dance Company tours Britain and visits Austria in February and Italy in April, and has its Sadler's Wells season in May, when new works will include the bravura *Golden Section* by Twyla Tharp.

Among visitors to Sadler's Wells, Irek Mukhamedov appears in a new *Don Juan* by Kim Brandstrup for Arc Dance (opening at the Wells on March 1); Pina Bausch brings her Wuppertal Dance Theatre to the Wells at the end of January with *Viktor*, while Pacific Northwest Ballet (much admired at the Edinburgh Festival last summer) will bring two programmes during the week of February 22, including a happy staging of Balanchine's *Midsummer Night's Dream*, and the Norwegian National Ballet will appear at the Wells in November with Michael Corder's *Romeo and Juliet*.

In St. Petersburg, the Kirov Ballet is preparing a revision - in effect, a cleaning of the text - of *Sleeping Beauty* in early spring, and the company will visit Munich in March with three performances of *Swan Lake* and a Fokine evening during the Bavarian State Ballet's annual Festival Week. The Bavarian State Ballet will, as part of an interesting repertoire, stage a new *Emma* by Jean Grand-Maitre at the start of the ballet week on March 24.

The new year, as you may judge, promises to be busy. Lord Chesterfield, in one of those letters, observed that "dancing is a very trifling and silly thing". Well, up to a point, Lord Chesterfield.

The new year, as you may judge, promises to be busy. Lord Chesterfield, in one of those letters, observed that "dancing is a very trifling and silly thing". Well, up to a point, Lord Chesterfield.



Imitating life: Gwyneth Paltrow and Joseph Fiennes in Shakespeare in Love

Ewan McGregor may enter the top-dollar stratosphere after playing the young Obi Wan Kenobi in the *Star Wars* prequel.

No preview of a year can be complete without listing oddities outside the mainstream. Will Roman Polanski restore his reputation with the demonic thriller *The Ninth Gate*, starring Johnny Depp? Will the writer of *Seven*, Andrew Kevin Walker, confirm his macabre talent with two new scripts: *Sam*, in which Nicolas Cage prowls the world of snuff film; and *Sleepy Hollow*, with director Tim Burton tackling

the "headless horseman" fable? What of Britain's *Hidous Kinky*, the promisingly buzzed new outing for Kate Winslet? And whatever will *Magnolia* be like? The new film from Paul Thomas Anderson of the porn opera *Boogie Nights* features several of that movie's players, plus guest star Tom Cruise.

We almost forgot the rest of the world. But then distributors are forgetting it too. We badly need more arthouse in the west, while saving the precious few that are left. Humanity cannot live on Hollywood alone, nor even on Pinewood. So we

must all flock to the few foreign films the west is sure of seeing. These include Denmark's icily funny family reunion comedy *Festen*, Italy's *Aprile*, a spry autobiographical charmer from Nanni Moretti of *Dear Diary*, and Brazil's *Central Station* (winner of Berlin's Golden Bear), an orphan-meets-olde tale with acerbity as well as sentiment.

It may not be possible to prevent insects from taking over our movie screens. But it must be possible to stop Philistines, xenophobes and cine-literate distributors doing so.

Scent of a



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Concerts and opera

Scent of a vintage year

With no preponderant composer anniversaries due, there is a sense of open-minded stocktaking before the century ends, says Andrew Clark

The year ahead looks reassuringly undecorated. There are no dominant composer anniversaries, but there is a sense of taking stock before the new millennium. At a cursory glance, 1999 has the makings of a fine vintage.

We cannot ignore the 50th anniversary of Richard Strauss's death (of which more on Page VII), any more than we can overlook the centenaries of Francis Poulenc and Kurt Weill. Most UK opera companies will stage one or other of the Strauss's stage works - but none so ambitious as Garsington Opera, which is mounting the UK premiere of *Die Liebe der Danae* in June. The two German cities most closely associated with Strauss are taking an oddity of view of the anniversary. Munich has little more than a pair of festive concerts under Lorin Maazel. In Dresden, Colin Davis conducts a new production of *Ariadne auf Naxos* - one of the few Strauss operas with no local resonance. In New York, there are revivals of *Intermezzo* at City

Opera and *Elektra* at the Met. Poulenc's *Carmen* will be staged in London, Santa Fe, Paris, Strasbourg and Savona. But apart from a handful of concerts in London and Paris, the Poulenc anniversary seems little more than a useful marketing tool for record companies with a strong back-catalogue. And Weill? In June, Chemnitz will mount the first complete staging of *The Eternal Road* since the 1937 New York premiere; there's also a Weill celebration at London's South Bank Centre in the autumn, featuring Ute Lemper, HK Gruber and the London Sinfonietta.

New music flourishes. Top of the list are two Magnus Lindberg premieres - for the Cleveland Orchestra (April 1) and for cellist Anssi Karttunen and the Orchestre de Paris (May 6). There are new orchestral works by Judith Weir for the Boston Symphony (January 13), by John Adams for the Los Angeles Philharmonic (February 19), and by Sofia Gubaidulina for the NHK Symphony and New York Phil-

harmonic (both in April). Hans Werner Henze is writing a song cycle for Ian Bostridge (Cologne and London in November), and the BBC will mark Louis Andriessen's 80th birthday with a big event at the Proms.

Of the countless Peter Maxwell Davies premieres scheduled for coming months, the most significant seems to be the first European performance of *A Real of Seven Fishermen* in Manchester (February 20): this is not one of his lighter pieces, but a substantial orchestral score. John Woolrich has written a Concerto for Orchestra for the London Mozart Players' 50th anniversary (February 11), and Mark-Anthony Turnage's *Silent Cities* will receive its European premiere in July at the Cheltenham festival, where he is featured composer. Other composer-celebrations include an Alexander Goehr festival in Cambridge (January 20-March 13), and performances in Helsinki of just about everything Thomas Adès has written (March 5-10).

In London, the South Bank's "Endless Parade" in April is an ambitious retrospective of British classical music from the past 50 years. Drawing on the services of the BBC orchestras, it includes concert performances of *Death in Venice* and *King Priam*, and new commissions from Richard Causton and David Bedford. The South Bank is also mounting a big Rakhmaninov series in May, with artists of the calibre of Evgeny Kissin and Vladimir Ashkenazy. Later in the year, to mark the 150th anniversary of Chopin's death, there will be six recitals featuring Uchida, Pollini and others.

After its year-long exertions with "Inventing America", the Barbican takes a more piecemeal approach to 1999. The musical plums include a Cuban festival in May, a St Petersburg invasion in June led by Gergiev and Temirkanov, and the return of Jessye Norman in late July. The London Symphony Orchestra takes its Elgar series to New York this month, before returning to the Barbican for concerts

with Chung (mid-February), Maazel (late February) and Haitink (June). It also accompanies José Cura in concert performances of *Otello* in May. The Philharmonia continues its Mahler/Vienna series in late February and March with blockbuster concerts by Dohnányi and Boulez, followed by German Romantics with Thielemann in April, Berlioz with Gergiev in May and an Elgar series starring Bryn Terfel and Anne Sofie von Otter in June. The London Philharmonic welcomes back Haitink later this month and gives young Daniel Harding a platform in April. The Royal Philharmonic pairs Brahms and Berg at the Barbican, and plunges into the second half of its Mahler cycle at the Albert Hall.

Birmingham upstages London with two UK exclusives: a concert *Rinaldo* starring Cecilia Bartoli (January 13) and a Sibelius weekend with the Lahti Symphony Orchestra under Osmo Vänskä (February 27-28). The most interesting events at the City of Birmingham Symphony Orchestra continue to revolve around Simon Rattle: "Towards the Millennium" reaches the 1980s, with Nigel Kennedy playing Gubaidulina's *Offertorium* and Rattle taking Nicholas Maw's *Odyssey* around Europe.

The Bournemouth Symphony Orchestra also revisits old times when it welcomes back former chief conductors Paavo Berglund and Andrew Litton in March and April. In Glasgow, the Royal Scottish National Orchestra's "Discovery" series includes the first performance north of the border of Tippett's *The Rose Lake* and the European premiere of Korndorff's Fourth Symphony.

The most significant operatic premieres all take place in the second half of the year: Michael Torke's first opera as part of a triple-bill at Glimmerglass (July 1), Berio's latest "azione teatrale" at Salzburg (July 24), Elliott Carter's *What Next?* in Berlin (September 14), William Bolcom's new Arthur Miller opera *A View from the Bridge* in Chicago (Octo-



Towards the Millennium: Nigel Kennedy is to play Gubaidulina's *Offertorium*

Ray Burniston

Music 1999

■ New orchestral work by John Adams (LA Phil/Salon, February 19)
■ European premiere of Maxwell Davies' *A Real of Seven Fishermen* (BBC Phil/Davies, February 20)
■ Thomas Adès festival in Helsinki (March 5-10)
■ Magnus Lindberg's new orchestral work (Cleveland/

Dohnányi, April 1) and cello concerto (Karttunen/LA Phil/Salon, May 6 in Paris)
■ Two concertos by Sofia Gubaidulina premiered in Tokyo (April 17) and New York (April 28)
■ Louis Andriessen's new orchestral trilogy (BBC Proms, August)

Opera 1999

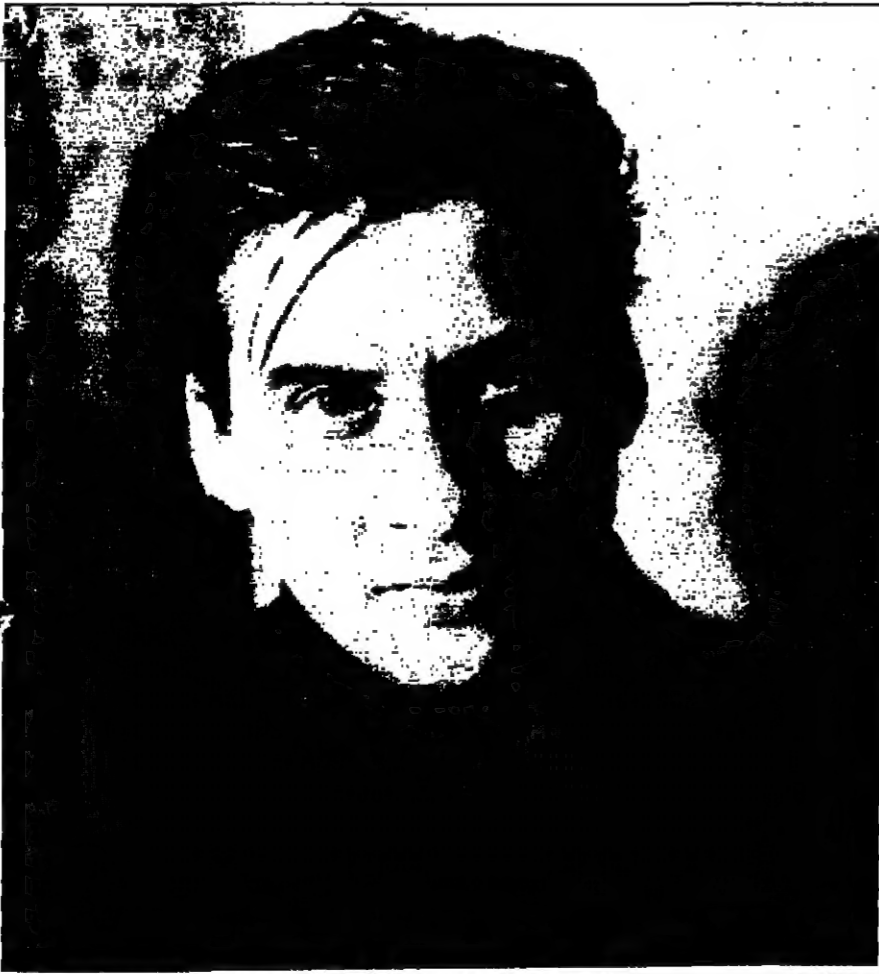
■ Peter Stein stages *Peter Grimes* in Cardiff (Welsh National Opera, February 15)
■ Simon Rattle conducts new production of *Les Boréades* at Salzburg (White festival, May 21)
■ Bryn Terfel sings Don Giovanni for first time in a staged production (Paris Bastille, May 31)
■ First modern staging of

Weill's *The Eternal Road* (Chemnitz, June 13)
■ World premiere of *What Next?*, Elliott Carter's first opera (Berlin Staatsoper, September 14)
■ World premiere of John Harbison's *The Great Gatsby* (Metropolitan Opera, December 20)

New recording stars

Voices before batons

It's becoming harder to get a hearing, writes Richard Fairman



Marcelo Alvarez: bel canto is the natural territory for his mellifluous voice

Janusz Kawa

This time last year the FT published a list of 10 young singers and musicians who had been marked out as names for the future. Each had secured a record company contract, promising financial support and the backing of a large public relations machine. But the outlook for the class of 99 is not encouraging. The classical record industry is in the throes of one of its periodic bouts of restructuring, and record industry executives are saying that they cannot take on new artists for whom there is no demand.

Few conductors of the younger generation have captured the public imagination and there is resistance to what is seen as the hyping of young instrumentalists, particularly girl violinists.

Without question it is last year's singers who are making the grade. Tenor José Cura, baritone Matthias Goerne and soprano Natalie Dessay and Christine Schäfer have all advanced in their recording careers. But the front runner is probably an unexpected candidate: the counter-tenor Andreas Scholl exceeded all predictions for 1998. On the Saturday before Christmas it was possible to walk into six of the biggest record stores in central London and hear Scholl's latest disc playing in four of them.

Barely a year after he had signed a contract with Harmonia Mundi, one of the larger independent companies, Scholl was poached by Decca, with whom he is now an exclusive artist. What ever marketing he was given before, we can now expect it to grow exponentially. Is the industry about to sell us the first counter-tenor superstar? Evidently there are companies who think so, as there is now a race to sign up counter-tenors who might replicate Scholl's success.

For its part, Virgin Classics can claim to have signed up a good one. David Daniels first came to international attention when he made his memorable Glyndebourne debut in Handel's *Theodora* in 1996. Covent Garden followed last year together with debuts in New York, Munich and San Francisco. Scholl may have captured the high ground in the concert hall, but Daniels's stronger sense of theatre has made him number one in the opera house - at least for the time being. His first recording for Virgin was a disc of Handel operatic arias. The battle of the counter-tenors is under way.

Another frequent visitor to

the world's top opera houses is the Russian soprano Marina Mescheriakova. Her appearance in Bellini's *Norma* in Toronto last year spurred one of the FT's North American critics to bestow on her exceptional praise. Coming from Moscow rather than St Petersburg, source of the recent influx of Russian singers, she has staked her claim to the core Italian repertoire at the highest level. Last summer she sang leading Verdi roles at the Munich and Salzburg festivals; at the Metropolitan Opera, New York, she has appeared in Verdi's *Don Carlo* and has four more Verdi operas planned. It is fitting that her first two studio opera recordings will be rare Verdi operas - *Jérusalem* and *Aida* - in the Philips Verdi series.

One of the most exciting discs of 1998 was the recital of Mozart opera and concert arias by Véronique Gens (to which the conductor Ivor Bolton gave vital support). That was the first fruit of her new exclusive contract with Virgin Classics and it certainly raised hopes for her future plans. This very appealing French soprano, with her pure but warm voice, has matured into an artist with wider potential. She played Donna Elvira in Peter Brook's production of *Don Giovanni* last year and looks set to make Mozart her calling-card in the medium term. In 1998 French critics voted her "Musical Revelation of the Year". Maybe we are just slow to catch on this side of the Channel.

The Argentine tenor Marcelo Alvarez made his professional operatic debut only in 1996, but opera houses tend to snap up tenors as soon as they leave college. After three years on a rapid reconnaissance of Europe's leading opera houses, he passed through the UK last spring for an acclaimed appearance in *La traviata* with the Royal Opera at the Royal Albert Hall and made his first recital disc as an exclusive artist with Sony Classical. That was of bel canto, the natural territory for his mellifluous light to middleweight voice, and Alvarez also sings French opera: two areas in need of new tenor talent.

Away from the cut-throat business of competing for new opera stars, the record companies are still prepared to work patiently with instrumentalists. It is not so long since the flautist James Galway was a household name, and EMI is doubtless hoping to achieve as high a level of recognition for its young Swiss-French flautist Emmanuel Pahud, who has succeeded to Galway's old position as principal flute with the Berlin Philharmonic Orchestra. Pahud plays with superb musicianship (a disc of Haydn flute concertos is his latest release) and the marketing people will see no harm in his dark good looks gracing the album covers.

EMI is to be congratulated for putting investment into young musicians. Its "Debut" series has given a first chance to several dozen singers and instrumentalists and - remarkably - one composer. Thomas Adès featured in the first group of discs and the success of that venture led to a second "Debut" disc and a complete recording of his opera, *Fenêtre sur Mer*. The composer, still under 30, has shown that it is possible to attract listeners to high quality new music if the thinking is original and the style communicative. His next opera has been commissioned by the Royal Opera for its new house in 2001.

By its very nature the Debut series concentrates on artists who do not yet have assured careers, but it is establishing a creditable track record. Among the latest group two have attracted particular notice. The 17-year-old French pianist Jonathan Gilad has won his fair share of competition medals, and his debut disc of Mozart, Beethoven and Brahms has been attracting good notices from piano experts. Percussionist Colin Currie, Edinburgh-born in his early 20s, has the example of Evelyn Glennie before him in the popularity stakes, but his eclectic disc of contemporary percussion music suggests an artist who will strike out on his own path.

By far the most difficult job is to be a talent-spotter of conductors. A young conductor is almost a contradiction in terms, since most only emerge as having seri-

ous potential when they are in their 30s or 40s. At 22, Daniel Harding is an exception, and it is predictable that he has featured on almost every list of notable newcomers for the last couple of years. The reason for including him here is that he has become an exclusive artist with Virgin Classics, starting his contract with an enthralling disc of Lutoslawski orchestral music and song cycles. In the past year he has also conducted the Peter Brook *Don Giovanni* mentioned above and Welsh National Opera's highly praised *Jenny*, so his potential looks to be holding up.

Now approaching 40, Christian Thielemann is by far the oldest of this group.

He is also the most established, having worked his way up from répétiteur on some of Karajan's opera recordings to attaining his own musical directorship at the Deutsche Opera, Berlin. In all fairness he should probably have been included in last year's 10, as that was the point when this very Teutonic conductor had signed his contract with Deutsche Grammophon and seen the release of a handful of orchestral recordings. But his first big operas, led by Strauss's *Die Ägyptische Helena*, with which he scored such a hit in concert with the Royal Opera, are only now forthcoming. So Thielemann's inclusion here is better late than never.

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